2014 SHELF-REGISTRATION DOCUMENT

CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

2014

SHELF-REGISTRATION DOCUMENT
CRÉDIT AGRICOLE CIB

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

Only the French version of the shelf-registration document has been submitted to the Autorité des Marchés Financiers. It is therefore the only version that is binding in law. The original French version of the shelf-registration document was filed at the AMF on 23 March 2015 under number D.15-0188 in accordance with article 212-13 of the AMF's Internal regulations. It may be used in support of a financial transaction if accompanied by a transaction circular approved by the AMF. This document was produced by the issuer and is binding upon its signatory.

A LEADING BANKING GROUP

Crédit Agricole Group is the leading partner of the French economy and one of the largest banking groups in Europe. It is the leading retail bank in Europe as well as the first European asset manager, the first bancassurer in Europe and the third European player in project finance.

Built on its strong cooperative and mutual roots, its 140,000 employees and the 31,500 directors of its Local and Regional Banks, Crédit Agricole Group is a responsible and responsive bank serving 50 million customers, 8.2 million mutual shareholders and 1.1 million individual shareholders.

Thanks to its universal customer-focused retail banking model – based on the cooperation between its retail banks and their related business lines –, Crédit Agricole Group supports its customers' projects in France and around the world: insurance, real estate, payments, asset management, leasing and factoring, consumer finance, corporate and investment banking.

Crédit Agricole also stands out for its dynamic, innovative corporate social responsibility policy, for the benefit of the economy. This policy is based on a pragmatic approach which permeates across the Group and engages each employee.

54
A GLOBAL PRESENCE IN 54 COUNTRIES

50 M
CUSTOMERS

140,000
EMPLOYEES

€4.9 Bn
NET INCOME GROUP SHARE

€86.7 Bn
SHAREHOLDERS' EQUITY

13.1%
COMMON EQUITY TIER 1 RATIO FULLY LOADED

GROUP'S ORGANISATION

8.2 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of the **2,489 Local Banks** in the form of mutual shares and they designate their representatives each year. **31,500 directors** carry their expectations. The Local Banks own the majority of the Regional Banks' share capital.

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

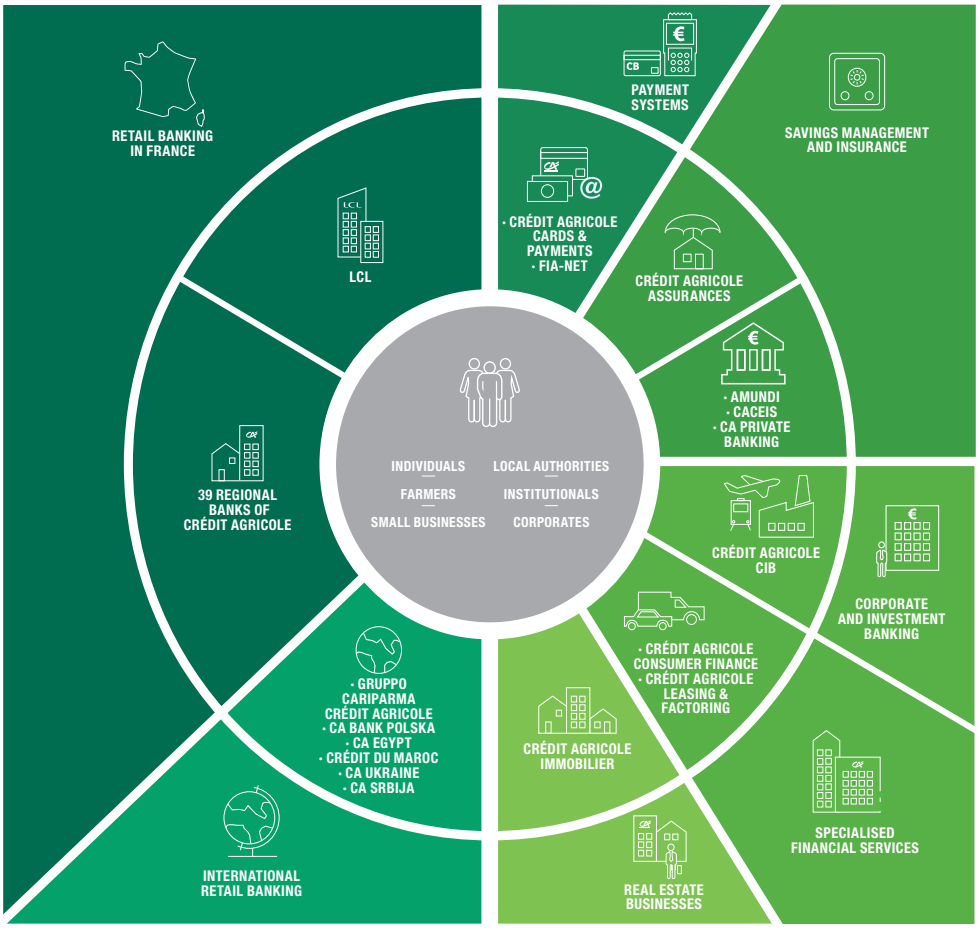
The Regional Banks together own, via **SAS Rue La Boétie**, the majority of the share capital of Crédit Agricole S.A. (56.5%). Crédit Agricole S.A. owns 25% of the Regional Banks (excl. the Regional Bank of Corsica). It coordinates in relation with its specialist subsidiaries the various business lines' strategies in France and abroad.

THE UNIVERSAL CUSTOMER-FOCUSED BANK

RETAIL BANKS

SPECIALISED BUSINESS LINES

OTHER SPECIALISED SUBSIDIARIES:
Crédit Agricole Capital Investissement & Finance (Idia, Sodica), Uni-éditions



1ST LEADING FINANCIAL PARTNER OF THE FRENCH ECONOMY

1ST BANCASSURER IN EUROPE

1ST EUROPEAN ASSET MANAGER

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PRESENTATION OF CRÉDIT AGRICOLE CIB

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1 Presentation of Crédit Agricole CIB

MESSAGE FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER



The publication of very good results for 2014 confirms the relevance of Crédit Agricole group's strategy. With net income group share reaching 4.9 billion euros for the Group and 2.3 billion euros for Crédit Agricole S.A., the Crédit Agricole group is for the second consecutive year the French bank with the best results and the best solvency ratios. Excluding the impact of Banco Espirito Santo in particular, Crédit Agricole's net income group share amounts to 6 billion euros, while Crédit Agricole S.A.'s amounts to 3.3 billion euros.

Crédit Agricole CIB, the Group's Corporate and Investment Bank, increased by 25% its net income group share compared with 2013 and contributes 1.02 billion euros to Group results. One year after the presentation of the Medium Term Plan, Crédit Agricole CIB demonstrates the relevance of its "Distribution – Origination" model, and its strong position in serving the Group's large clients.

In France, Crédit Agricole CIB led three out of the five most important transactionss of the year: Elior's IPO, Peugeot's capital increase and Numericable's acquisition of SFR. Once again the bank was rewarded for its aircraft and rail financings. Crédit Agricole CIB is also leader in the green bond market with innovative transactions for the European Investment Bank and BNG Bank. Finally, the organisation set up to support SMEs and medium size companies abroad, which is part of intra-group revenue synergies, is starting to bear fruit.

I would like to pay tribute to the strong commitment of our teams that allowed us to generate already tangible operational results based on a demanding Medium Term Plan to which Crédit Agricole is committed. We can be proud of the progress made. The Crédit Agricole Group is now remodelled and preparing its future with determination.

(1) Excluding BES impact under the equity method, issuer spreads, CVA/DVA/FVA Day one, DVA running, loan hedges, revaluation of Bank of Italy securities.

Jean-Paul CHIFFLET

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



Crédit Agricole CIB was successful in 2014: our commercial activity was good and results for the year are in line with the goals set by the Focus 2016 medium term plan. With a net income group share of more than 1 billion euros, a 25% increase compared with 2013, Crédit Agricole CIB contributes nearly one third of Crédit Agricole S.A. group's normalised results.

Crédit Agricole CIB now relies on an economic model that gives it greater stability. In 2014 the revenues from ongoing activities increased by 6% and expenses remained under control. Our European Debt House works well and our innovation capacity is recognised.

In 2015 Crédit Agricole CIB will continue to strengthen its position with its partners and clients: first with Crédit Agricole itself, the Regional banks to which the DRF offers its assistance, the financial institutions, the large corporates and of course the clients of our structured finance activity.

We will do so in Europe where we generate most of our revenues. The Americas offer good prospects. We have a determined strategic plan for Asia. And finally, we intend to develop the Middle Eastern region, which is being created and is a historic region for Crédit Agricole CIB.

Crédit Agricole CIB plays a part in Crédit Agricole's universal role in financing the economy: every day its teams are dedicated to this mission.

Jean-Yves HOCHER

Chief Executive Officer of Crédit Agricole CIB

2014 KEY FIGURES

Income statement highlights

€ million	31.12.2014		31.12.2013 restated[1]	
	Crédit Agricole CIB	**o/w ongoing activities[2]**	**Crédit Agricole CIB**	**o/w ongoing activities[2]**
Net banking income	4,352	3,910	3,755	3,688
Gross operating income	1,572	1,790	975	1,629
Net income Group share	1,049	1,256	565	1,012

[1] 2013 figures taking into account the effects of the change in accounting policies related to new consolidation standards (see note 11 of the consolidated financial statements).
[2] Restated for loan hedges, impact of DVA running, CVA/DVA Day one impact (in 2013), FVA Day one impact (in 2014) and change in CVA/DVA/FVA methodology.

Balance sheet

€ billion	31.12.2014	31.12.2013 restated[1]
Total assets	644.1	589.4
Gross loans to customers	123.3	113.1
Assets under management (private banking)	101.6	93.3

[1] 2013 figures taking into account the effects of the change in accounting policies related to new consolidation standards (see note 11 of the consolidated financial statements).

Headcount at end of December 2014

Full-time Equivalent	2014	2013 restated[1]
France	4,090	4,133
International	5,630	5,716
Total[2]	**9,720**	**9,849**

[1] 2013 figures taking into account the effects of the change in accounting policies related to new consolidation standards (see note 11 of the consolidated financial statements).
[2] Private banking contributes to 2,607 in 2014 and 2,733 in 2013.

Financial structure

€ billion or %	31.12.2014	31.12.2013[1]
Shareholder's equity (including income)	16.1	15.4
Tier I capital	16.0	16.4
Basel III risk-weighted assets	118.6	110.5
Tier I solvency ratio	13.5%	14.9%
Overall solvency ratio	13.8%	15.1%

[1] Basel 2 figures.

Ratings

	Short-term	Long-term	Last rating action
Moody's	Prime-1	A2 [positive outlook]	17 March 2015
Standard & Poor's	A-1	A [négative outlook]	10 July 2014
Fitch Ratings	F1	A [stable outlook]	3 July 2014

2014 HIGHLIGHTS

2014 confirms the relevance of the strategy adopted by Crédit Agricole CIB within the framework of its Medium Term Plan released in March 2014.

Despite a general environment of rates' decline, Crédit Agricole CIB shows growing results, as a consequence of implementation of its Debt House model refocused on its core clients. In numerous areas of expertise, the Bank moved up or maintained a first-class position confirming its ability to act as a strategic partner for its clients, corporate and financial institutions, in France and abroad, and received numerous rewards, illustrating the excellence of its franchises.

Crédit Agricole CIB successfully supported its clients by offering an expanded range of products. Therefore, Crédit Agricole CIB reinforced its bonds' variety, as shown by major transactions in which the Bank took part: first bond issue in Renminbi in Paris market place with Bank of China, High Yield issues or covered bonds.

In order to carry on financing its clients' projects while managing scarce resources' consumption (liquidity and risk-weighted assets), Crédit Agricole CIB also signed innovative partnerships; such as the partnership with the International Finance Corporation (IFC), subsidiary of the World Bank, that leads to a risk sharing on financings in favor of emerging countries or such as the partnership signed with Sumitomo Mitsui Trust Bank.

Besides, to better improve the optimization of IT systems' cost, Crédit Agricole CIB signed an agreement with FIS, the world's largest global provider dedicated to banking and payments technologies in order to create a common IT post-trade platform. This helps the Bank to notably focus on developing new electronic platforms for its customers.

On 6 May 2014, as announced by the end of 2013, Crédit Agricole CIB completed the sale to Société Générale of its 50% stake in Newedge Group, their brokerage joint venture. The impact of the sale having been recorded in the 2013 financial year, the completion of the sale had no significant impact on Crédit Agricole CIB's financial statements in 2014.

2014 good performances are first of all the consequence of satisfactory results on almost every business line of the Bank, in Financing as well as Capital Market and Investment Bank. Moreover, it benefits from the continuous efforts in costs cutting initiating in 2008 and a risk profile kept low, notably in the market activity, with a now very low impact of the discontinuing operations and a controlled rise of risk-weighted assets following the CRDIV application at 1st January 2014. Hence, Crédit Agricole CIB reaches a satisfactory profitability level over the year and, therefore, consolidates its positioning as a CIB well-established in Europe and focused on the follow-up of its clients with innovative financing solutions.

HISTORIQUE

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

SIMPLIFIED ORGANISATIONAL CHART OF THE CREDIT AGRICOLE CIB MAIN SUBSIDIARIES AND INVESTMENTS

AT 31 DECEMBER 2014

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

	CORPORATE AND INVESTMENT BANKING			PRIVATE BANKING (SUBSIDIARIES)
BRANCHES	**EUROPE:** Germany, Belgium, Spain, Finland, Italy, Luxemburg, United Kingdom, Sweden	**ASIA:** South Korea, Hong-Kong, India, Japan, Singapore, Taïwan	**AMERICA:** United States **MIDDLE EAST:** Abu Dhabi, Dubal	Crédit Agricole Private Banking and subsidiaries (100%) Crédit Agricole Indosuez Private Banking and subsidiaries(100%) Crédit Agricole Suisse, subsidiaries and branches (100%) Crédit Agricole Luxembourg, subsidiaries and branches (100%) Crédit Foncier de Monaco «C.F.M.» (70%) Crédit Agricole Brasil DTVM (100%)

	CORPORATE BANKING	OTHER SUBSIDIARIES CORPORATE AND INVESTMENT BANKING
SUBSIDIARIES	Banque Saudi Fransi (31%) Crédit Agricole CIB Air Finance S.A. (100%) Crédit Agricole Asia Shipfinance Ltd (100%) Ester Finance Titrisation (100%)	Crédit Agricole Securities (USA) Inc. (100%) Crédit Agricole Securities Asia BV (Tokyo branch) CACIB Algérie SPA (100%) Crédit Agricole CIB Australia Ltd (100%) Crédit Agricole CIB China Ltd (100%) Crédit Agricole CIB ZAO Russia (100%) Banco Crédit Agricole Brasil (100%)

CRÉDIT AGRICOLE CIB'S BUSINESS LINES

Business lines of Crédit Agricole CIB are mainly Financing, Capital Markets and Investment Banking, Private Banking. In addition, several activities are managed as discontinuing operations since many years.

■ CORPORATE BANKING

The financing business combines structured finance and commercial banking.

Structured Finance

At 31 December 2014, Structured Finance business line's net banking income is €1,182 million for 2014.

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

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

- Maintaining excellence in the quality of services provided and the building of close relationships with its clients to maximise revenue associated with financing. Therefore, the intensification of cross sell and the selection of value-added operations generating commissions remain crucial;
- Optimisation, in a constrained environment, of the management of scarce resources by maintaining existing leadership posi- tions. The acceleration of the assets' turnover must be imple- mented through improvement and diversification of distribution channels.
- Stronger transversality between the Structured Finance business lines and the rest of the bank, thanks to enhanced managerial presence.

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

Asset Finance Group

■ Aircraft and rail financing

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

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

■ Shipping Financing

Crédit Agricole CIB has been financing ships for French and foreign ship-owners for thirty years and acquired solid expertise and a worlwide reputation.

This business line supports a modern and diversified fleet of over 1,100 ships to an international clientele of ship-owners.

■ Real Estate and Hotels

Crédit Agricole CIB's real estate and hotels department operates in 10 countries.

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

Energy & Infrastructure Group

■ Natural resources, infrastructure and power

Crédit Agricole CIB provides financial advice and arranges nonrecourse credit for new projects or privatisations. The banking and bond financing that Crédit Agricole CIB arranges involves commercial banks as well as export credit agencies and/or multilateral organisations.
The project finance business operates in natural resources (oil, gas, petrochemicals, mines and metal bashing), electricity generation and distribution, environmental services (water, waste processing) and infrastructure (transport, hospitals, prisons, schools and public services).
The business operates worldwide, with regional excellence centers in Paris, London, Madrid, Milan, New York, Houston, Singapore, Hong Kong, Tokyo, Sydney, Moscow, Sao Paulo and Mumbai.

Global Commodities Finance

Transactional commodity finance offers funding solutions and securitization of payment related to short-term flows of commodities and semi-finished products.

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

Global Finance Sponsors Group

■ Acquisition Finance

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

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

Global Telecom, Media & Technology

Crédit Agricole CIB advises and finances Telecom Media & Technology companies for over thirty years. The Global TMT sector teams based in Paris, London, New York, Hong Kong and Tokyo, working together with all the bank's product teams to assist sector actors in their external growth projects or organic by providing their know-how on mergers and acquisitions and financing bank, bond or equity.

Commercial Banking

At 31 December 2014, Commercial Banking business line's net banking income is €1,080 million for 2014.

Client Coverage & International Network (CIN)

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

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

Crédit Agricole CIB offers its clients, importers or exporters, financing and securing solutions for their international trade operations.

The Export & Trade Finance business is based on a commercial network of specialists spread across nearly 30 countries.

Commercial Bank in France has products and services that rely on the expertise of specialised business lines of Crédit Agricole CIB as well as the capabilities offered by the networks of Crédit Agricole Group (Regional Banks, LCL) and its specialised subsidiaries.

More precisely, the Commercial Bank offers domestic and international cash management, short and medium term trade finance, syndicated loans, leasing, factoring, international trade (letters of credit, receipts, pre-financing export, buyer credits, forfaiting, etc..), domestic and international guarantees, market guarantees, and interest rates and foreign exchange risk management products.

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

Debt Optimisation & Distribution (DOD)

Debt Optimisation & Distribution is in charge of the origination, structuring and arranging medium and long term credits for corporate clients and financial institutions.

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

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

Structured and Financial Solutions (SFS)

Structured and Financial Solutions business lines offers to Crédit Agricole CIB top customers tailored-made solutions for complex operations' financing. SFS expertise stems from the capacity to join together complex legal and accounting issues to financing issues.

SFS also realises receivables' financing, of which the "CICE" tax credit put in place by the French government.

Banque Saudi Fransi (BSF)

Banque Saudi Fransi is 69.9% owned by Saudi interests and 31.1% by Crédit Agricole CIB. Universal bank active mainly in Saudi Arabia, the BSF has a network of 82 branches spread across the country and grouped into three regional divisions, located in Riyadh, Jeddah and Al Khobar. Its equity reaches €5.81 billion at 31 December 2014 and it realised a 2014 NBI of €1,167 million and a net profit of €709 million. It employs a total of 3,085 employees at 31 December 2014. In addition to its retail customers, the bank has recognised expertise in the corporate market where it is a leader with great expertise on the activities of trade finance, structured finance and capital markets. It has a subsidiary investment bank active in brokering activities, asset management, debt and equity capital management and merger and acquisitions.

CAPITAL MARKETS AND INVESTMENT BANKING

This business includes capital markets, as well as investment banking.

Global Markets Division

At 31 December 2014, Global Markets business line's net banking income is €1,428 million for 2014.

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

Owing to a network of 20 trading floors, including five liquidity centers in London, Paris, New York, Hong Kong and Tokyo, Crédit Agricole CIB offers its customers strong positions in Europe, Asia and the Middle East, a targeted presence in the USA, and additional entry points into local markets.

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

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

Global Markets Clients division

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

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

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

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

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

Global Markets Trading division

The Global Markets Trading division gathers:

- credit activities,
- linear interest rate derivatives activities,
- non-linear interest rate derivatives activities,
- structuring and product development activities,
- foreign exchange activities.

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

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

Global Markets Trading also offers structuring activities with a full range of investment produts and tailored-made solutions for its clients, thanks to different asset classes (Inflation derivatives and Cross Assets) in order to manage their risks and return on investment.

The Foreign exchange business line operates mainly in three categories of foreign exchange instruments: foreign exchange Spot, Forward and options. The offered products range from spot exchange to more sophisticated products such as investment-oriented foreign exchange structured products, currency risk hedging and optimisation of cash management, as well as trading on gold, silver, platinum and palladium concerning precious metals. Each product can be adapted to specific needs.

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

Treasury division

Within the new regulatory framework, Treasury business line hierarchically reports to the Chief Financial Officer and functionally to the Chief of Global Markets division. It daily ensures the sound and prudent management of the Bank's short-term liquidity under the delegation of the Asset & Liability Management department, in accordance with internal and external constraints (short term liquidity ratios, prudential ratios, reserves).Besides, it finances the Bank short term positions, obtaining resources at the best price for its clients (internal and external) while remaining within its market and credit risks' limits.

The Treasury activities are structured around five liquidity centers located in Paris, London, New York, Tokyo and Hong Kong, with an active presence in 10 other countries, which provide liquidity of the major currencies. Liquidity centers control and contribute to the management of liquidity of branches and subsidiaries in each region. This structure enables a consolidated management and vision of Credit Agricole CIB's cash by providing continued access to global money markets.

Crédit Agricole CIB manages local multicurrency emissions programs, thus enabling broadening its investor base. Products that comply with Islamic law have also been developed.

Cross-functional pole

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

Investment Banking

At 31 December 2014, Global Markets business line's net banking income is €220 million for 2014.

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

Primary Equity Capital Markets

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

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

Strategic Equity Derivates

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

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

Global Corporate Finance

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

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

PRIVATE BANKING

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

This business requires the implementation and rigorous coordination of numerous skills, specially adapted to the level of requirements of this customer segment, particularly as regards assets engineering, asset management, and order execution in all global financial markets. Investment supports adapted to the risk appetite of each customer are also proposed.

Since 2011, subsidiaries and branches dealing with private banking were united under a joint holding company (with the exception of the Miami branch which remains a branch of Crédit Agricole CIB) in order to strengthen internal synergies and coherence of the external approach with regard to the clients and the market.

The Crédit Agricole Private Banking holding now includes the following entities: CA Indosuez Private Banking, Crédit Agricole Switzerland, Crédit Agricole Luxembourg, Compagnie Financière de l'Asie (main indirect shareholder of Crédit Foncier de Monaco), Crédit Agricole Brasil S.A. DTMV and Crédit Agricole Private Banking Servicios y Representaciones. Through their own representations, this Business line is thus present in 15 countries, combining a strong positioning in the historical locations in Europe and a strategic positioning in the growth areas in Asia and Latin America.

DISCONTINUING OPERATIONS

The "discontinuing operations" perimeter has been set up during Crédit Agricole CIB's refocusing and development plan adopted on 10 September 2008 and expanded with the adjustment plan announced on 14 December 2011.

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

- Portfolios of the CDOs (Collateralised Debt Obligations) and ABS (Asset-Backed Securities) mainly collateralised by American residential real estate subprimes, commercial real estate mortgages or leveraged loans exposure;
- Structured Credit and "Correlation" products, underlying risk being a corporate credit portfolio represented by a CDS (Credit Default Swaps);
- Equity derivatives (excluding corporate and convertible);
- Exotic interest rate derivatives that were already in run-off;
- Impaired portfolios of mortgages, mainly with Italian residential underlyings, and consumer loans

Crédit Agricole CIB announced the introduction of a subcontracting solution with BNP Paribas GECD, effective since 10 January 2014, for the administrative management and the management of market risks of its residual equity derivatives portfolio.

2

ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

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ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

Information regarding economic, social and environmental responsibilities is presented below.

A cross-reference table with the indicators of Article L 225-102-1 of the Commercial Code is included at the end of this chapter.

ECONOMIC RESPONSABILITY

Strengthening confidence through a committed approach of Compliance

The management of non-compliance risks within Crédit Agricole CIB is ensured by the "Global Compliance" (CPL) division. CPL's mission is to promote respect of compliance rules in the activities and operations of the bank and of its employees with laws and regulations as well as internal and external rules applicable to the activities of Crédit Agricole CIB in banking and financial fields, or which can result in penal sanctions, sanctions from regulators, disputes with clients and more widely in reputational risk.

The Compliance function aims at strengthening the confidence of the stakeholders involved (clients, employees, investors, regulators, suppliers) in respect of these rules and their implementation.

The Global Compliance Division of Crédit Agricole CIB is firmly committed to the process of corporate social responsibility (CSR) called FReD (Fides, Respect, Demeter) by mobilising since 2012 alongside the Human Resource Department (HRD) and the Sustainable Development Department through an engagement on 5 renewable actions. These actions are progress plans that CPL is committed to achieving over periods of one to two years and which aimed at improving ways of being and acting of Crédit Agricole CIB in respect of its clients.

In 2013, these actions aimed at explicitly taking into account the risks of corruption in the mapping of operational risks of the business lines, identifying and processing corporate offices owned privately and professionally, implementing the Fides 2 classroom-training sessions for traders involved in market transactions, handling alerts from transaction reporting and improving the periodic review rate of KYC files. 2014 plan for Fides pillar integrated five new projects concerning client's protection (complaints follow-up, services quality survey) and ethics in business and operations (reinforcement of our system in terms of employees' transactions, monitoring market operations, implementation of an e-learning "Conflict of interests"). At the end of 2014, all the objectives have been well on track: the 2013 Fides 2 plan on Capital Markets as well as two other plans have been finalized, as scheduled.

As regards the Private Bank, the CAPB holding company, which is responsible for supervising and managing the entities, is supported by local staff, whose positioning was strengthened.

In its relations with clients, financial markets and partners, the Private Bank seeks to ensure relationships built on trust and ethical behaviour in accordance with the Group's compliance rules.

To that end, the local teams co-ordinated by the holding company work under the aegis of a new set of Compliance and Financial Security procedures: 33 rules, most of which have been replicated at the local level. Appropriate controls make it possible to administer the various measures adopted to protect clients.

The New Activities / New Products NAP system was strengthened in 2014. It reflects the necessary co-ordination between the entities and the business line. The new product or new activity is validated in the business line committee; the market launch remains the responsibility of the product managers and the local NAP committee. The NAP review includes the analysis of CSR aspects and, systematically, a legal and compliance opinion. The system also covers aspects related to the transparency of the documents submitted to the sales network and clients.

The FreD process, which covers the entire Group, is also implemented at the Private Bank. At each entity, the five FIDES projects being deployed are advancing in line with the Group's objectives and addressing the following main areas: knowing the client, formalised advisory and regulatory compliance. In 2015, the focus will be on projects to match up clients' portfolios with their self-defined profiles, thereby ensuring that their interests are protected.

The work of the Compliance function focuses notably on the following priorities:

Priority 1: Preventing fraud and fight against corruption

Crédit Agricole CIB has continued to strengthen its fight against internal and external fraud and against corruption. Taking into account the corruption risk in the mapping of operational risks by business line and entities has been redefined in 2012 and 2013.

The relationship management with the business bringers has been redefined by a specific governance text. The information systems of the management team in charge of the fraud prevention have been reinforced.

Priority 2: Customer interest

The bank has a secure process of entering into a relationship with the client and of overseeing the selling of market products. Protection of clients is based on a complete system of classification of clients not only in application of the MIF rules applicable in the European Economic Area (increased protection of the non-professional client who is sold an investment service) but worldwide with an internal process called "internal suitability rating".

This process structures entering into a relationship with the client so that the financial instruments offered to clients are in line with its risks awareness.

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

In addition, New Activities and New Products Committees for each business line in France and abroad in which representatives of the Directions of Compliance, Legal and Risk & Permanent Controls sit, ensure that all the products and activities proposed in the distribution networks are consistent with the provisions of laws, regulations, codes of good practice and internal procedures specific to the banking and financial activities.

Furthermore, the Compliance of markets' activities has a specific attention to commercial margins and to the documentation intended for the client information, preserving the filing and the underlying data conservation appropriately.

Finally, the Bank has also paid attention since 2012 to strengthen measures to protect clients by structuring further its claims monitoring. These claims have to be recorded, communicated to a Complaint Correspondent appointed in each direction of the Bank, and subject to a reply within ten days and a processing within two months.

As regards the Private Bank, the client relationship is another key focus. It revolves around the following main principles:

- knowledge of the client that is continuously updated, thereby enabling sales proposals aligned with the client's needs
- the necessity of conducting regular interviews with clients and thus continuously updating all significant information about them (formal procedure with all supporting documents in the file)
- maintaining a permanent watch to combat all new types of fraud (internal and external)
- respecting confidential information and handling of insider information (review of classification of employees with access to sensitive information)
- the adoption of conflict of interest matrices to ensure transparency as regards the client
- rapid complaints handling.

A key project for the Private Bank, managed by the holding company, was established in 2014 to ensure greater consistency between the client profiles and the suitability modules at the various CAPB booking centres.

This project involves adapting the client questionnaires, harmonised to reflect certain local conditions.

Priority 3: Ethics

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

- Detected and analysed as quickly as possible;
- Brought to the attention of managers and of compliance functions at the most appropriate level within each business line;
- Monitored and corrected, and that its causes are eliminated.

Malfunctions' reporting

Centralisation of malfunctions cases in the reporting process, as described in the specific governance text, allows to be aware at the highest level of the company, of the Bank's exposure to non-compliance risk. Thus, when an employee reasonably establishes the existence of a malfunction in the field of compliance, he must tell his supervisor who informs the operational representatives and the Compliance, Permanent Control and Legal functions' officials depending on the subject. The system is completed by an alert faculty, allowing the employee, if he finds an abnormality in the malfunction treatment which he/she considers due to a deficiency or a pressure exercised by his/her manager if he thinks he undergoes a pressure, active or passive, likely to lead him to the realisation of a dysfunction or dissimulate it. The state of the dysfunction is monitored by the Global Compliance Division which will submit it to the Compliance Management Committee.

Protecting personal data

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

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

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

Business Contributors and responsibles are advised by the Compliance which also provides relationships with the CNIL and the people who seek a right of access, rectification or opposition.

Concerning Private Banking, Compliance also follows various projects requiring its opinion regarding the protection of personal data.

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

Tax policy within Private Bank

As part of its European strategy, the Private Bank informs and supports its clients to anticipate new regulatory trends based on the timetables identified by the respective national governments. It should be recalled that on 9 December 2014 the European Union's Directorate General for Economic and Financial Affairs adopted the revised directive on administrative co-operation, which transposes the automatic exchange of information system established by the OECD to the European Union.

The standard requires financial institutions based in countries that have adopted the standard to identify account holders who are tax residents of a country with which an information exchange agreement has been concluded and to report information annually (contact information of the account holder, account balances, income received, etc.) to their country's tax authorities, which will then forward the information along to the various relevant administrations.

The effective implementation of the exchange is subject to the signature of bilateral and multilateral agreements between States and by the transposition into local law.

It should be noted that some 60 countries, including France, have already pledged to share information as from 2017 under this new standard, and another 30 as from 2018.

Training

The Compliance department of Crédit Agricole S.A. developed FIDES, a training programme that covers all compliance matters. This programme has been implemented by Human Resources with all Crédit Agricole CIB employees.

At the same time, the Compliance department's units with expertise in various topics continued to provide live training (capital markets, financial security, conflicts of interest, employees with access to sensitive information, compliance risk analysis grid, etc.) to targeted groups.

As regards the Private Bank, a training action plan is offered continuously, with rigorous follow-up for all employees. For the Private Bank, these actions include the following measures:

- strengthening training to combat money laundering, fraud and corruption, in line with developments in the financial security field.
- raising awareness about matters that may give rise to reputational risk for the Bank
- adhering to the Group-defined sector policies
- adopting a relevant transactional approach in the area of money-laundering risk and financial security.

In addition to the live training provided by CAPB and the local entities, e-learning is now being used systematically for training adapted to the Private Bank.

Priority 4: Market stability

The obligation of vigilance to prevent market abuses is a central priority of Crédit Agricole in terms of Compliance.

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

Crédit Agricole CIB has specific tracking devices for market operations worldwide generating alerts according to predefined criteria. Thus, they enable a control of transactions likely to relate to a market manipulation or fraudulent use of privileged information.

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

Moreover, Crédit Agricole CIB ensures the successful implementation of the new international regulations, especially American ones (Dodd-Frank Act) and European ones (EMIR), from decisions taken during the G20 Summits after the 2008 financial crisis.

Priority 5: Financial Security

The Global Compliance Division of the Group is in charge of the implementation of a Financial Security system for the whole Group, made up of a set of measures intended to prevent money laundering and terrorism financing as well as to ensure the respect of international sanctions.

Crédit Agricole Group has taken into account the requirements linked to the transposition into internal law of the third European Directive 2005-1960/CE of 26 October 2005 about preventing the use of the financial system to launder money and finance terrorism. A risks' mapping was done and implemented by every business lines of the Group, within the framework of the vigilance system adapted to the level of the identified risk, both when entering into relationship and during the entire business relationship. By the end of 2016, Crédit Agricole CIB will continue the adaptation and reinforcement of the existing system, through the implementation of the fourth Directive, who should be voted by the European Parliament during the first half of 2015.

Thus, when entering into any relationship, the required checks on the client identification are a first filter to prevent money laundering. This prevention is based on the knowledge of the client and of the beneficial owners, completed by data research through specialized databases. During the business relationship, there is an appropriate vigilance proportionate to the identified level of risks. For that purpose, the Group's employees may use computer tools for client profiling and for detecting unusual transactions.

The fight against terrorism financing and the mechanism for ensuring the respect of international sanctions means, in particular, a constant screening of client files, both when entering into relationship and during the relationship, with a list of sanctions as well as the monitoring of international transactions.

After an important contribution to the work of the banking sector, driven by the Centre for Professional Banking Training in Paris, the Group has implemented and launched a new training program of the profession dedicated to the fight against money laundering and terrorism financing.

In 2014, a new online training course (e-learning) on OFAC regulation has been deployed and successfully followed by 93% of the employees, both in France and abroad.

SOCIAL RESPONSIBILITY

Workforce indicators

Methodology

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

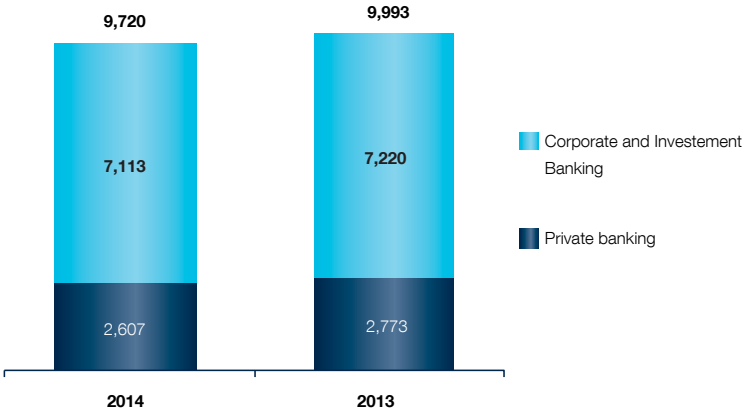
Concerned Entities are those with employees that are consolidated either fully or proportionally (figures are reported according to the percentage of the Group's interest in their capital). CA Cheuvreux, CLSA and Newedge entities are no longer consolidated in the indicators presented here. Unless otherwise stated,

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

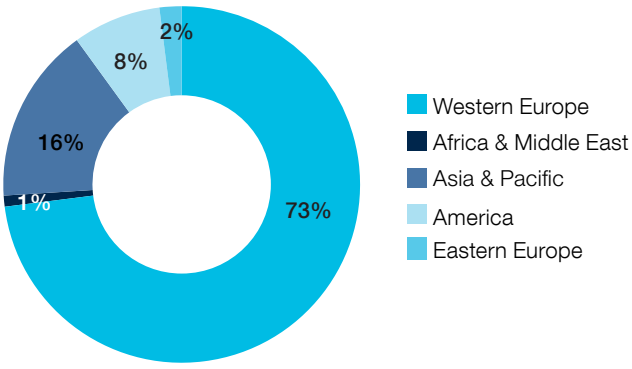
The scope of employees covered (as a percentage of full-time equivalent employees at the end of the year) is presented below for each item or table of this section.

Key figures

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



Headcount by region



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

	2014			2013		
	France	Abroad	Total	France	Abroad	Total
Permanent staff	4,044	5,542	**9,586**	4,190	5,704	**9,894**
Contractors	46	88	**134**	42	57	**99**
Total active staff	**4,090**	**5,630**	**9,720**	**4,232**	**5,761**	**9,993**
Permanent staff on extended leave of absence	94	0	**94**	91	NA	**91**
TOTAL	**4,184**	**5,630**	**9,814**	**4,323**	**5,761**	**10,084**

NA: Not available

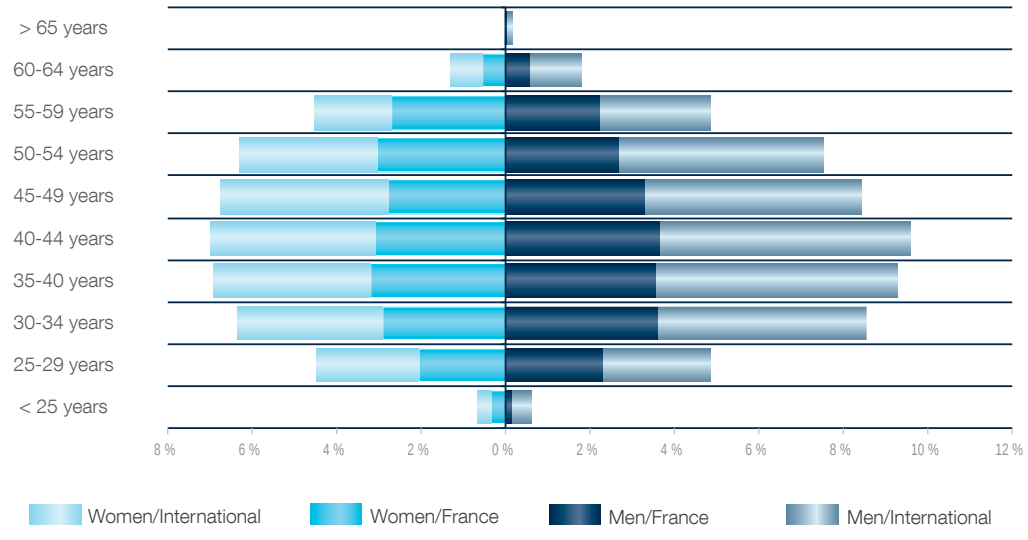
Breakdown of employees in France by gender

%	2014		2013	
	Women	Men	Women	Men
Staff in France	47.9	52.1	47.9	52.1
% of business scope in France		*100.0*		

Breakdown of employees in France by gender and category

%	2014		2013	
	Managerial	Non-managerial	Managerial	Non-managerial
Staff in France	**86.4**	**13.6**	**84.5**	**15.5**
of which Women (in %)	78.8	21.2	76.2	23.8
of which Men (in %)	93.3	6.7	92.0	8.0
% of business scope in France		*100.0*		

Age structure (at 31 December 2014)



	2014			2013		
	France	Abroad	Total	France	Abroad	Total
Average age	42 years and 10 months	42 years and 8 months	42 years and 10 months	42 years and 6 months	42 years and 8 months	42 years and 6 months

65-year-old employees' forecasts

Age already reached	2014	
	Number	%
65 years in «n»	6	0.1
65 years in «n»+1	7	0.2
65 years in «n»+2	14	0.3
65 years in «n»+3	11	0.3
65 years in «n»+4	27	0.6
65 years in «n»+5	50	1.2
65 years in «n»+6	92	2.2
65 years in «n»+7	70	1.7
65 years in «n»+8	107	2.6
65 years in «n»+9	115	2.8
65 years in «n»+10	98	2.4
Total	**597**	**14.4**

Promotions in France

	2014			2013		
	Women	Men	Total	Women	Men	Total
Promotion within the non-managerial category	39	22	61	14	5	19
Promotion from the non-managerial category to the managerial category	48	15	63	20	9	29
Promotion within the managerial category	127	121	248	68	109	177
Total	**214**	**158**	**372**	**102**	**123**	**225**
%	57.5	42.5	100	45.3	54.7	100.0
% of business scope in France			*98 %*			*99 %*

Number of permanent staff recruited by region

	Number of permanent staff recruited[1]		2014	2013
	Private Banking	CIB	Total	Total
France	24	286	**310**	**109**
Western Europe	125	106	**231**	**155**
Central & Eastern Europe	-	9	**9**	**14**
Africa	-	2	**2**	**7**
Asia & Pacific	56	157	**213**	**152**
Middle East	-	6	**6**	**8**
America	2	103	**105**	**103**
Total 2014	**207**	**669**	**876**	
Total 2013	**160**	**388**		**548**
% of business scope in France			*100 %*	*99 %*

[1] Included contractor recruited as permanent staff.

Proportion of part-time employees

	2014			2013		
	Cadres	Non cadres	Total	Cadres	Non cadres	Total
Part-time employees	346	129	**475**	347	159	**506**
Part-time employees as % of total	9.9	23.1	**11.7**	9.7	23.9	**11.9**
Women as of % of part-time employees			**90.9**			**91.1**
% of business scope in France			*98%*			*99%*

Priority 1 : Encouraging and promoting the development and employability

Crédit Agricole CIB is committed to promoting a management that is responsible and respectful for individuals. The manager is a key player in the professional development of staff. Therefore, Crédit Agricole CIB continued in 2014 to develop its efforts to professionalize managers and strengthen their role in human resources. Several devices have been created or maintained to enable them to take their full part in this process.

Promoting and managing employees with respect and responsibility

■ Development of management culture

In a constantly changing environment, managers play a central role in the dissemination and implementation of the strategy of Crédit Agricole CIB. They are the first actors to mobilize teams while supporting skills development of their employees. To cope with the economic and regulatory challenges as well as its transformation challenges, Crédit Agricole CIB has deployed since 2012 the Management Academy, a training program dedicated to all managers in France and abroad. This scalable process aims at developing a program for managerial training shared by all the managers of Crédit Agricole CIB, while accompanying them in our development process. It consists in four skills: management, leadership, change management and personal development.

The Management Academy permits to adopt shared managerial behaviours, to implement strategic priorities through an individual and a collective commitment and to collectively develop solutions to shared problematic issues.

Within this program, Crédit Agricole CIB's objective is to train all its managers, i.e. 2,000 approximately. Since it was launched in 2012, 1,535 managers have attended at least one training, 490 managers in France and 1,045 managers abroad (figures at 31 October 2014).

The Management Academy notably offers trainings dedicated to the change management. In 2014, 58 managers of Crédit Agricole CIB have attended this type of workshops. By encouraging the employees' commitment and helping them to plan, managers support the Company's transformations needed.

Alongside this overall system, since September 2012, an online tool for personal development is available to all managers in the world to support them in their mission: «Develop Yourself» and "Develop Your Team». To optimize the use of these global tools, modules of the Management Academy now include links to related content to enable managers to go further in their training. «Develop Yourself» and "Develop Your Team» are libraries collecting a hundred of management topics and personal development in English. These simple tools, accessible from the eLearning platform of Crédit Agricole CIB, enable managers to have access to practical information to better manage certain situations. Each theme (personal development, leadership, performance evaluation, creativity ...) includes a selection of articles, practical exercises and self-testing.

Crédit Agricole CIB also takes part in the Group Manager Cursus, sponsored by the Crédit Agricole group's Direction. This programme is designed for the management committee's managers and expert managers. It aims at creating a Group managerial culture and strengthening the managers' ability to embody the transformation and collective performance for each entity.

■ Annual assessment

The annual assesment is a fundamental managerial act. It represents a major element for employee management allowing to assess the year's performance, skills and goal setting. To professionalize this meeting Crédit Agricole CIB has implemented a global device for performance management training and follow-up.

In 2014, an appraisal manager toolkit has been made up for the first time and circulated worldwide to all managers of the Bank. It details the different steps of the annual assessment with practical advise and what to avoid.

Furthermore, in France, the support has been revisited and strenghtened based on managers' profile. Thus, the senior managers have attended two conferences on the assessment on the stakes, the managerial approach, the methodology and key messages. 2-hour-long workshops on SMART objectives' settings for their teamworkers and « co-development » workshops on assessment-related issues have been also proposed.

New managers have benefited from a one-day-long training on « How to conduct the annual assessment », made up of real-life situations notably to help them handling with the mobility issue with their teamworkers. These practical cases have been internationally communicated.

In 2014, 105 managers have thus attended one of the training workshops in France and 62 managers have attended the conference. Within the framework of this worldwide campaign, 98.1% of the annual assessments between teamworkers and managers have been realised.

Developping and promoting the employees through a professional evolution co-built between the employee, his/her manager and Human Resources manager

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

■ Career and talent management

Human Resources policy of the Group and Crédit Agricole CIB is to ensure that each function of the organization is held by a motivated employee whose skills and performance meet the requirements and challenges of his position, but also to prepare the future and to enable optimized management of human resources.

Thus, Crédit Agricole CIB deploys a policy of career management to enable each employee, regardless of its level in the organisation,to expand its professional experience in a constructive manner, but also to develop skills that will be necessary in the future.

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

Reinforcing the role of the annual assessment in the employees' career management

Like last year, the evaluation meetings and targets setting that make a review the individual and collective efforts as well as the achievements and the development needs of employees are in two separate campaigns.

This approach is more flexible, managers can either formalize the evaluation and targets at the same time or shift over time targets setting for 2015.

The qualitative and quantitative objectives are formalized through specific criteria to evaluate their achievement. They are defined in accordance with the guidance provided by the business line manager who declines the strategy of the Executive Management to its own business line.

The process of evaluating the performance and skills was preceded this year for some functions by a global campaign of Cross Feedback. Cross Feedback consists for the manager in obtaining objective evidence from employees who are working in contact with the person being evaluated. This process also enables the employee to benefit from a concrete feedback from the people he works with on a daily basis within the department or other business lines or support functions of the Bank. In addition, the Cross Feedback enables to promote within the Bank better cooperation between the teams developing the culture of feedback. This is a constructive approach which focuses on the work of an employee during the past year. In 2014, the campaign ran from 13 October to 14 November and involved 16 departments of the Bank. Over 5,000 online questionnaires were completed by the respondents (2,500 questionnaires completed in 2013), enabling 760 employees and managers to receive individualized Cross Feed-back report.

Since 2012, a 360° questionnaire has also been developed as a support in the evaluation of members of the Executive Committee (Circle one). In 2014, this approach has been deployed on the next hierarchically lower command level, i.e. a total of 123 members of Circle 2 for the second straight year.

Mobility and career committees: managing, facilitating and orienting internal mobility

Internal mobility is a major challenge for the professional development of employees and the Crédit Agricole Group's future growth.

The Mobility department, created in September 2013 as part of the three-year agreement on measures to support employees in connection with Crédit Agricole CIB's transformation, continues its mission. Working with the individual management teams, it oversees the systems for traditional mobility, forward planning of employment and skills ("Gestion Prévisionnelle de l'Emploi et des Compétences – GPEC") and dynamic mobility.

MyJobs, the new internal mobility application, was deployed in France and abroad in November 2014. This internal jobs exchange serving all Crédit Agricole S.A. entities is one of many systems established to facilitate mobility. This application, which is more up-to-date, practical and effective, replaces @toutjob to support employees with their mobility. It lists all available offers in the Crédit Agricole S.A. Group, in France and abroad. The creation of a personal account makes it possible notably to save one's CV and cover letters, monitor the progress of applications, create alerts and save multi-criteria searches.

A Crédit Agricole CIB internal mobility charter was also promulgated in July 2014. This charter is designed to promote mobility planning on the basis of trust, partnership, anticipation, employability development, cross-functionality and the long term. These principles are transposed into concrete commitments and underscore the Bank's commitment to encourage, facilitate and promote internal mobility by affirming the values and practices that must be known, shared and respected by all.

In addition, a presentation, "Mobility at Crédit Agricole CIB", was posted in February 2014 on the InsideLive global intranet. This posting sought to promote mobility by noting the major steps to follow, presenting the available tools (the MyJobs job exchange, the Mobili'days and the Professional Assessment workshops) and publishing personal accounts and statistics on mobility in 2013.

The Mobility department is also responsible for orienting and managing mobility committees among the various functions in order to develop transfers between business lines. These committees meet monthly in order to help strengthen cross-functionality and cross-selling, consistent with the Group's strategy.

Career committees continued their missions at both the Group and Crédit Agricole CIB levels.

Identifying and developing talents

The task of detecting talent, which has been under way for several years, continued apace as the members of the Management Committee, managers and Human Resources staff worked to retain and develop the capabilities of employees with potential and to ensure succession plans for strategic positions at the Bank. This approach, which is consistent with that of the Crédit Agricole Group, is developed over time and makes it possible to establish a career management framework for high-potential employees of Crédit Agricole CIB.

Concretely, the list of talents broken down into four categories (Future Leaders, Management Talent, Expert Talent, Fledgling Talent ("jeunes pousses", also known as Young Talent)), established on the basis of identification criteria approved by General Management, was totally reviewed with the business lines in 2014. This list can be adjusted to reflect decisions taken

by the Career Committees, whose objective is to define the succession plans in the business lines.

For Young Talent, in 2014 Crédit Agricole CIB deployed the Group scheme My Way, which aims to evaluate and develop employees with significant potential for advancement at the start of their careers. The goal is to validate their strengths, identify areas for improvement and analyse their type of potential (managerial, cross-functional, etc.). This common programme throughout the Crédit Agricole S.A. Group makes it possible to share a single set of guidelines and have a comparable evaluation among the subsidiaries.

This approach brings together the employee and the employee's manager and HR Manager to conduct a joint deliberation on the employee's development plan and career track.

In 2014, 11 employees (eight in Paris and three in London), supported by their managers and respective HR Managers, participated in the pilot programme in order to test and jointly develop this system. My Way will be rolled out on a more widespread basis over the course of 2015.

Mobility figures* for 2014

- 171 transfers within business lines
- 156 transfers within business lines
- 110 international transfers on a scope of 18 countries
- 81 transfers to the Crédit Agricole Group
- 56 transfers for the Crédit Agricole Group

* Crédit Agricole CIB's scope

■ Training

To support the Bank's business model and develop the collective and individual skills that are essential for it to meet its challenges, Crédit Agricole CIB offers 279 training programmes covering technical and managerial skills.

The main areas of the 2014 training plan focused on the following objectives:

- Support the transformation of the Crédit Agricole CIB business lines and promote the development of professional skills for employees through targeted actions in the business lines, such as:
  - the Risks platform for Risk & Permanent Control employees;
  - a "technical/sales" track for the corporate bankers in Commercial Banking & Trade;
  - a dual track for new Global Operations employees, including the "Discover the Group, Crédit Agricole CIB and GOP business lines" programme, managed by in-house experts using specialised training modules for the various profiles.
- Strengthen the managerial community and the sense of belonging to Crédit Agricole CIB and the Group by continuing to roll out the Management Academy for managers in France and abroad.
- Support retraining and mobility through training plans prepared on the basis of the profile and skills required for the new positions of the respective employees.
- Develop individual technical and behavioural skills of employees by satisfying the needs identified during the appraisal interview.
- Continue to deploy training dedicated to psychosocial risk prevention in France and abroad.
- Implement training and awareness-raising measures included in the "Equality at work between men and women" and "Occupational stress prevention" agreements.
- Integrate the training reforms called for by the implementation decrees of the law on Securing Employment into the Crédit Agricole CIB training programmes.
- Use available new technologies and educational methods to promote access to training. Crédit Agricole CIB has accordingly committed, whenever possible, to support employees and managers of a department through joint development in order to enable their challenges to be resolved between peers and with full confidentiality. This approach, which fosters collective intelligence, has been used for the most part in creative workshops on stress management, training in performance evaluation and in the "Strategic Leadership" seminar.
- Provide regulatory and banking training reflecting changes requested by the regulator.

For 2014, the percentage of Crédit Agricole CIB's training expenditure relative to the total payroll again exceeded the legally required minimum and reflects the efforts pursued by the Company to develop and strengthen its staff's skills.

In France, Crédit Agricole CIB spent €6.7 million on training in 2014 (including employee compensation during their training periods), as well as another €3 million in respect of continuous education (OPCA, Fongecif, FPSPP).

The number of employees receiving training represented more than 70% of employees with permanent employment contracts at year-end. Employees trained in 2014 received an average 23 hours training.

Training policy

	2014 (11 months)*	2013 (11 months)*
Number of employees trained		
France	2,816	3,167
Abroad	4,879	4,682
Total	**7,695**	**7,849**
% of business scope	*91 %*	*96 %*
Number of training hours		
France	63,743	72,199
Abroad	100,644	112,098
Total	**164,387**	**184,297**
% of business scope	*91 %*	*96 %*

* December is not a representative month.

Training themes

Number of hours **Themes**	2014 (11 months)*				2013 (11 months)*	
	Total	**%**	**of which France**	**of which abroad**	**Total**	**%**
Knowledge of the Credit Agricole S.A. Group	6,057	3.7	2,340	3,717	6,623	3.6
Personnel and business management	15,561	9.5	6,451	9,110	15,592	8.5
Banking, law, economics	25,187	15.3	7,905	17,282	24,957	13.5
Insurance	160	0.1	0	160	197	0.1
Financial management (accounting, tax, etc.)	15,978	9.7	6,151	9,827	15,076	8.2
Risks	7,670	4.7	4,071	3,599	8,383	4.5
Compliance	12,899	7.8	1,959	10,940	16,344	8.9
Method, organisation, quality	3,099	1.9	1,211	1,888	3,943	2.1
Purchasing, Marketing, Distribution	2,477	1.6	2,238	239	2,582	1.4
IT, Networks, Telecommunications	9,444	5.7	3,626	5,818	11,887	6.4
Foreign languages	36,217	22.0	10,932	25,285	35,133	19.1
Office systems, business-specific software, new technoloy	5,314	3.2	2,898	2,416	10,766	5.8
Personal development and communication	18,892	11.5	11,517	7,375	23,982	13.0
Health and safety	3,602	2.2	1,914	1,688	6,185	3.4
Human rights and Environment	390	0.2	168	222	1,066	0.6
Human resources	1,440	0.9	362	1,078	1,582	0.9
Total	**164,387**	**100.0**	**63,743**	**100,644**	**184,297**	**100.0**
% of business scope		*91 %*	*91 %*			*96 %*

* December is not a representative month.

Priority 2: Guaranteeing equality and promoting diversity

Gender equality at work

Proportion of women

in %	2014		2013	
	%	**% of business scope**	**%**	**% of business scope**
of total employees	44.3	100 %	45.0	99 %
of permanent staff	42.1	100 %	40.0	99 %
of the Group's Executive Committee	3 out of 16	100 %	3 out of 16	100 %
of Management Circles 1&2(*) de CACIB	16.7	100 %	16.5	100 %
Top 10% of highest employees in each subsidiary	15.6	96 %	16.0	97 %

(*) Managerial circles include, within two circles, the members of executive committees of each entity.

■ Developing equality at work between men and women

As part of the FReD CSR process, Crédit Agricole CIB set an ambitious goal of having 25% female representation in its management ranks by end- 2015.

To that end, the pipeline of high potentials is constantly reviewed with the managers to increase the number of women. In 2014, three women are members of the Executive Committee of Crédit Agricole CIB (unchanged from 2013) and 13 women are members of the Management Committee (up from 10 in 2013 and six in 2012).

Crédit Agricole CIB is pursuing its policy aimed at developing equality at work and has offered awareness-raising measures to its employees. As part of the gender diversity week held in February 2014, for example, about 100 employees attended a conference on "Female leadership" led by Elena Fourès, a consultant and international leadership coach.

Specialised training programmes have also been implemented as part of the 2 July 2013 agreement on equality at work. In France, for example, awareness-raising measures on equality at work and gender diversity have been offered to the Human Resources staff through role playing and group deliberations.

A workshop led by Elena Fourès on the topic "Dare to express your ambitions" was also offered to a group of women "talents" and a "marketing yourself" workshop was integrated into Crédit Agricole CIB's training programme in France. This latter workshop, which is open to all employees regardless of their professional categories, already has 77 people enrolled. The training sessions will be offered in the first quarter of 2015.

Moreover, in December 2014 Crédit Agricole CIB London deployed a new eLearning module on diversity in the workplace.

Crédit Agricole CIB also participated in 2014 in the "Leadership and Diversity" research project led by Valérie Petit, a professor of management at the EDHEC Business School, who already spoke to nearly 300 employees at a leadership conference in 2013.

A series of semi-structured interviews and an online survey were conducted with a representative panel of the Bank's organisation in order to pose questions to managers of Crédit Agricole CIB, in France and abroad, as well as their employees.

These actions are aimed at describing and measuring employee expectations of leadership as well as effective leadership by managers, and at measuring and understanding the impact of diversity on staff commitment, performance and satisfaction.

Since October 2010, PotentiELLES, the women's network of Crédit Agricole CIB launched through a female employee initiative, offers a forum for discussion and sharing information, and also seeks to raise awareness on gender diversity within management. At end-2014, 370 women were members of PotentiELLES and they participate regularly in network events (conferences, workshops, Mix'n Match lunches).

Crédit Agricole CIB also supports Financi'Elles, the federation of women's management networks in the banking, finance and insurance industries. Created in March 2011, this organisation brings together leading companies in our sector (BNP Paribas, Société Générale, Caisse des Dépôts, BPCE, AXA, HSBC, Barclays) to reflect on gender diversity issues. PotentiELLES, the female manager network of Crédit Agricole CIB, sponsored by General Management, is among the founding members of the Financi'ELLES initiative.

This year, Crédit Agricole CIB participated in the second annual "Confidence and Gender Diversity (Confiance et Mixité)" national surveys for managers in the banking, finance and insurance sector, organised by Financi'Elles in partnership with CSA. As in 2011, the purpose of this survey is to measure the degree of confidence of managers in this sector on the topic of gender diversity as well as to identify the factors affecting this level of confidence.

In 2014, this survey had a 30% response rate amongst the 90,000 managers surveyed. This initiative targeted 11 companies and groups in the banking and insurance sector, including Crédit Agricole CIB, Amundi, Crédit Agricole Assurances, Crédit Agricole Leasing & Factoring and CASA UES.

■ Female leadership

Crédit Agricole S.A. is a partner of the EVE programme, created through an initiative of Danone to develop female leadership at the participating companies. Aimed at young talent as well as experienced managers, the EVE programme is designed primarily for women but is also open to men. Thanks to this partnership, seven participants from Crédit Agricole CIB attended the 5th annual edition of this seminar, which was held in Evian in October 2014. For the first time this year, the EVE programme also sponsored a seminar in the Asia Pacific region, in Shanghai, in which eight Crédit Agricole CIB employees took part.

■ Balancing work and personal life

As part of its policy to promote gender equality, Crédit Agricole CIB has also implemented actions related to parenting in France and abroad. In a similar vein, on Wednesday 25 June 2014, Crédit Agricole CIB organised its first ever day for families known as "Kids Day". Nearly 300 children ages five to 12 were invited to the head office in La Défense, where they were able to learn about their parents' work world by participating in various events. Each child received a book "The Bank explained to children" to understand the business and company where their parents work. This book was given out to all employees. The initiative was also rolled out at Crédit Agricole Private Banking in Switzerland. In London, a "Take your sons and daughters to work" day was held on 26 June 2014. Some 15 youths between the ages of 12 and 16 thereby learned about the Bank's business lines through various activities.

For its employees in Courbevoie and outside of the Paris region, Crédit Agricole CIB also offers 31 places in intercompany nurseries (through a partnership with the Babilou nationwide nurseries network), which are allocated based on social criteria. Parents (fathers or mothers) may also receive authorised paid leave on the first day of school in order to accompany their children.

On 27 September 2012, Crédit Agricole CIB concluded an agreement on subsidised part-time work enabling Bank employees to access measures for reduced or subsidised part-time work for a period of three years, in particular to meet their desire to balance work and family life in less restrictive financial conditions.

In respect of balancing work and personal life, another specific measure to access part-time or reduced work resulted from the three-year agreement entered into on 2 July 2013 as regards support for employees during transformations at Crédit Agricole CIB. This measure applies in cases where employees agree to functional and/or geographical mobility as part of a collective action in the normal course of business without planned downsizing.

Employing and integrating people with disabilities

In France, the Crédit Agricole S.A. Group has applied since 2005 a proactive policy in favour of employment for people with disabilities. The initial Group agreement signed in 2005 was renewed in 2008, 2011 and 2014. This fourth agreement is a logical continuation of the efforts made over the past nine years and covers all the Group entities.

To promote the integration of people with disabilities in France, Crédit Agricole CIB has established individual support measures and helped to raise awareness among all employees.

■ Retention

The agreement provides adjustments to the work environment at the forefront of technological innovation to facilitate job retention for employees with disabilities: ergonomic analyses, hearing aids, larger screens, deployment of the telephony tool Tadéo and Themis fire alarm system for all deaf employees, specific transportation (financial support for transport companies), implementation of remote working, accessibility of the online business report for visually impaired employees, developing the use of sign language translation for conferences or training.

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

■ Raising awareness

Crédit Agricole CIB continues its policy of disability awareness and for the fourth year renewed the French Sign Language (LSF) course for employees already registered in previous years. These free courses fall within the scope of the Bank's commitment in favour of integration and the promotion of diversity, to fight against stereotypes about disability. In 2014, 45 employees participated in the LSF training.

In order to raise awareness about all types of disabilities, and in particular invisible disabilities, Crédit Agricole CIB held two events, one in June and the other in October, around the theme of "Disabilities and music". For this event, 200 CDs created specially for the occasion were given to participants.

Under the banner of accessibility, the Disability Employment Week held at the Bank's offices from 17 to 23 November 2014 also helped to raise awareness among employees and promote accessibility to work and culture. The service to collect discarded electronics offered for the event resulted in the collection of 82 kg of various appliances and equipment (computer equipment, batteries, etc.), which will be recycled by APR2, a company that provides work for people with disabilities.

As a sponsor, Crédit Agricole CIB also supported the accessibility week organised by the Quai Branly museum in the first week of December 2014.

■ Use of the sheltered employment sector

In addition to direct awareness actions in favour of the employment of people with disabilities, Crédit Agricole CIB delegates services to the sheltered employment sector ("Entreprises Adaptées" and "Etablissements et Services d'Aide par le Travail") such as printing business cards in France, managing e-waste recycling, green space maintenance, general printing and processing rejection letters to paper applications.

Crédit Agricole CIB occasionally hires sheltered employment sector companies, notably for the move to the EGIS site in Saint-Quentin-en-Yvelines (paper collection for recycling) and for cocktail party receptions and meal deliveries.

Equality of backgrounds and origins

■ Recruitment policy

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

In 2014, Crédit Agricole CIB has welcomed 413 new interns and 151 new work-study trainees in France, as well as 79 VIEs in its international subsidiaries.

All our job offers are published on the website of Crédit Agricole CIB and on www.mycreditagricole.jobs. Our offers are also available on job boards and on schools' intranets. As part of the recruitment policy of the Group, logic tests were introduced for VIEs and junior CDIs.

Pre-recruitment

Internships and work-study training in France (average monthly Full-Time Equivalent)	2014	2013
Work-study training	210	219
Interns	202	200
% of business scope in France	*100 %*	*100 %*

■ « Nos Quartiers ont des Talents » ("Our neighbourhoods have Talents")

In order to promote social diversity, Crédit Agricole CIB supports the association named "Nos Quartiers ont du talent", by taking part of coaching workshops for young people from underprivileged neighbourhoods. This association, of which the Group has been a partner since 2007, guides towards employment young graduates and BAC+4 students, from underprivileged neighbourhoods through sponsorship between individual managers and recent graduates. Crédit Agricole CIB has today about 23 volunteer mentors coaching students and graduates who are seeking employment, within the framework of partnership with this organization.

In addition, in accordance with the diversity policy of the Crédit Agricole Group, the recruitment team participates in numerous

activities promoting diversity of recruited profiles. On 22 May 2014, Crédit Agricole CIB was thus present alongside the association Mozaïk RH at a special half-day «Alternance Mozaïk RH» organised as a «speed-recruiting».

Age equality

■ Action plans for senior staff

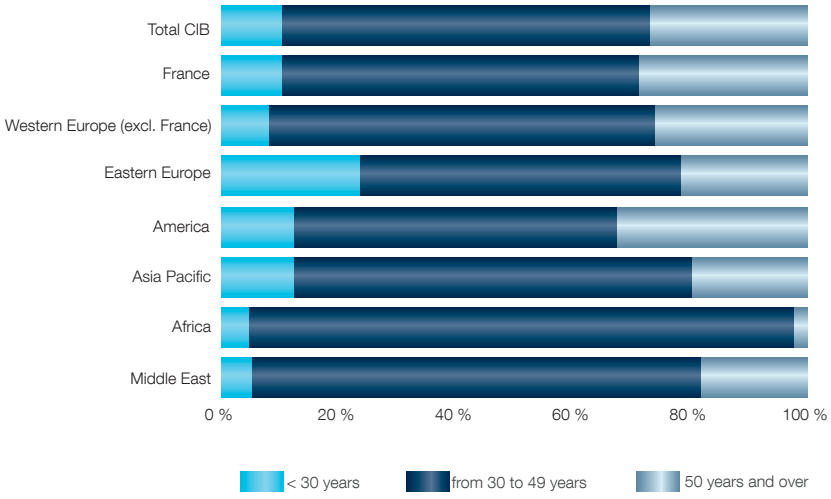
In 2014, Crédit Agricole CIB in France continued the action plan developed in 2010 for seniors. In this context an interview is conducted by HR managers to carry out an assessment on the career and project of the employees aged 45 or older. This assessment aims at enabling employees of Crédit Agricole CIB, with regard to their current position and with the company's projects, to identify the skills acquired during their career, to study development possibilities and to formalize the skills they would like to acquire to facilitate the second part of their career.

The assessments are conducted by APEC consultants (Agency for the Employment of Executives) dedicated to Crédit Agricole CIB in Paris La Défense, Paris Saint-Lazare et Saint-Quentin-en-Yvelines, and in the provincial towns of the various branches.

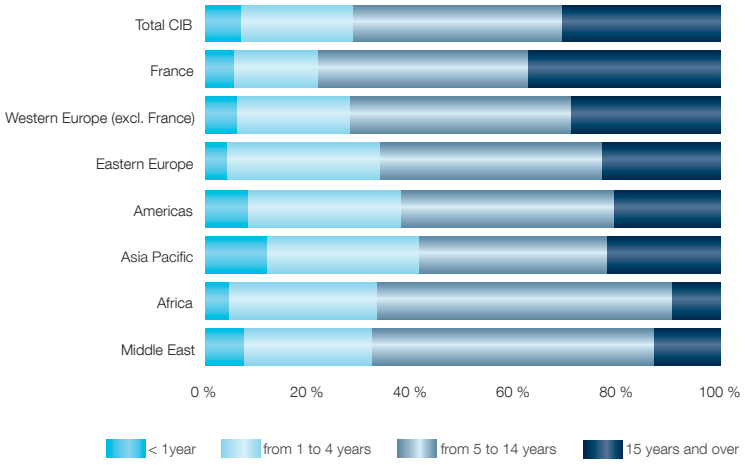
The tripartite nature of assessment and the professionalism of consultants improves the quality of dialogue and create a new dynamic in the career of employees.

Since the entry into force of the «Action Plan on employment of older workers» in 2010, 128 employees have benefited from an assessment of for the second part of their career (figure as end of November 2014).

Permanent staff by age in Crédit Agricole CIB's group



Permanent staff by seniority in Crédit Agricole CIB's group



Departures of permanent staff by reason

Permanent staff departures by reason	2014				2013			
	France	International	Total	%	France	International	Total	%
Resignation	81	396	477	53.7	98	382	480	51.0
Retirement and early retirement	142	52	194	21.7	46	44	90	10.0
Redundancy	18	174	192	21.6	81	240	321	34.0
Death	4	1	5	0.6	3	2	5	1.0
Other reasons	7	14	21	2.4	10	25	35	4.0
Total	**252**	**637**	**889**	**100.0**	**238**	**693**	**931**	**100.0**
% of business scope				*100 %*				*99 %*

Compensation policy: general principles

In keeping with the specific nature of its business lines and legal entities and the laws of the respective countries, the Crédit Agricole Group strives to develop a system of compensation that provides employees with incentivising and competitive pay in respect of its reference markets.

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

The base salary compensates skills and responsibility levels in accordance with the specificities of each business line, based on the principle of equal treatment among employees.

At Crédit Agricole CIB, variable compensation plans related to individual and collective performance are established on the basis of achievement of objectives and the entity's results.

Variable compensation bases are established by taking into account the risk profile of the business lines and all the costs, including the cost of risks, liquidity and return on equity. The variable compensation is based on set budgets by activity, with the allocation to individual employees determined by the management in respect of an overall assessment of individual and collective performance, consistent with the financial and non-financial targets defined individually and collectively.

■ Equal treatment of men and women

On 2 July 2013, Crédit Agricole CIB signed an agreement on Equality at Work between Men and Women.

This agreement provides notably for:

- Measures to identify and correct inequalities linked with gender, especially regarding salaries (e.g. special budget to correct such disparities),
- Preventive measures to reduce or prevent the occurrence of inequalities (e.g. granting a minimum salary increase following maternity leave).

Furthermore, in the context of research on equality at work between men and women, a department in the Risk Management division of Crédit Agricole S.A., the Operational Research Group (Groupe de Recherche Opérationnelle - GRO), has developed an objective and relevant methodology to identify unjustified compensation differences that may be due to gender. This method, based on the Oaxaca-Blinder decomposition technique, quantifies and objectifies gender-related compensation differences, thereby establishing a level of discrimination to then target and analyse a population of women particularly affected by this phenomenon. The use of this service, provided in-house and open to all Group entities, has so far benefited Crédit Agricole CIB.

■ Collective variable compensation policy: voluntary and mandatory profit sharing

- Long-term mandatory profit-sharing agreement entered into on 30 June 2004,
- Amendment to the mandatory profit-sharing agreement relating to profits of Crédit Agricole CIB, entered into on 24 June 2010, updating the provisions of the 30 June 2004 profit-sharing agreement as regards the ability to request the immediate payment of part or all of the profit sharing and the means for informing beneficiaries,
- Voluntary profit-sharing agreement entered into on 26 June 2013 for the years 2013, 2014 and 2015.

■ Social benefits: protection, health, retirement

The supplementary retirement scheme (Article 83) offers employees a supplemental income benefit, generally in the form of a life annuity, when they exercise their pension rights in the basic scheme. In order to improve the social benefits offered to employees, Crédit Agricole CIB decided to review this system, which had been provided by Allianz since 1995. Following a request for proposals conducted in 2014, Crédit Agricole CIB selected Crédit Agricole Assurances – Predica as its new partner. Effective as from 1 January 2015, the defined-contribution retirement plan subscribed with Predica offers new services for policyholders at a lower cost. In particular, this scheme offers the possibility of making optional, tax-deductible complementary contributions, as well as a broader choice of savings products.

Crédit Agricole CIB's compensation policy for executives and corporate officers and regulated populations is described in the section "Corporate governance – Compensation Policy of Crédit Agricole CIB".

Collective variable compensation paid during the period related to last year results in France

	2014			2013		
	Global amount (in '000 €)	Number of beneficiaries	Average amount (in €)	Global amount (in '000 €)	Number of beneficiaries	Average amount (in €)
Profit-sharing	812	378	2,149	870	485	1,794
Incentive plan	21,110	5,077	4,158	24,691	5,513	4,479
Employees savings plan top-up	10,245	4,304	2,380	10,649	4,867	2,188
TOTAL	**32,167**			**36,211**		
% of business scope	*98 %*			*99 %*		

Annual fixed salary grid



Average monthly salary of permanent staff active in France (gross salary)

		2014	2013
Managerial	Men	6,316	6,302
	Women	4,721	4,734
	Global	**5,617**	**5,626**
Non-managerial	Men	2,721	2,772
	Women	2,779	2,778
	Global	**2,764**	**2,776**
Total	**Men**	**6,077**	**6,017**
	Women	**4,309**	**4,267**
	Global	**5,228**	**5,181**
	% of business scope	*98 %*	*100 %*

Priority 3: Promoting life quality at work

Providing employees with a work environment and conditions that guarantee their safety and health

Absenteeism in France, in calendar days

	2014							2013		
	Managerial		Non-managerial				Average number of absence days per employee	Total		Average number of absence days per employee
	Women	Men	Women	Men	Number of days	%		Number of days	%	
Illness	10,260	5,546	5,468	1,120	22,394	41.1	5.4	32,144	34.0	7.4
Accident in the workplace and during travel	214	91	240	40	585	1.1	0.1	953	1.0	0.2
Maternity/paternity	19,375	1,310	4,379	65	25,129	46.1	6.1	21,855	24.0	5.0
Authorised leave	3,031	1,370	949	212	5,562	10.2	1.3	6,822	7.0	1.6
Other reasons	503	200	86	11	800	1.5	0.2	32,077	34.0	7.4
TOTAL	33,383	8,517	11,122	1,448	54,470	100.0	13.1	93,851	100.0	21.6
% of business scope in France							*98 %*			*99 %*

■ Workplace security and safety

In 2013, Crédit Agricole CIB deployed a new, mandatory e-learning training module for all employees (internal and external) dedicated to raising awareness about security. Designed in conjunction with the Bank's Security department, occupational physicians and the Secretary and Assistant Secretary of the Health, Safety and Working Conditions Committee (CHSCT), this module covers topics related to security and safety (access control, prevention of accident and fire risks, alarm procedures) as well as psychosocial risks and hygiene and health in the workplace.

Since 2014, this training module is mandatory for all new hires at Crédit Agricole CIB.

■ Prevention of psychosocial risks: raising awareness of and training in psychosocial risks (RPS)

In connection with the agreement on preventing occupational stress at Crédit Agricole CIB agreed on 2 July 2013, a long-term tool for evaluating stress, the "Psychosocial Risk Prevention Observatory", was established in order to detect, at regular intervals, the sources of stress at issue and to identify groups of employees who are most exposed.

To that end, Bank employees are asked by the workplace health department to complete an online survey when they have their medical check-up every other year.

After one year of implementation, nearly 40% of employees in France have answered the survey, which will enable the Psychosocial Risks Commission to propose corrective measures.

Crédit Agricole CIB is also pursuing its workplace stress prevention approach, initiated in 2009, by deploying training measures that meet two types of commitment:

- The systematic validation of all training requested during appraisal interviews or during the year by employees and managers in this area: 75 employees thus took the "Know how to balance pressure and efficiency" programme while 19 managers participated in the "Managing the stress of your employees as well as your own", in addition to the training established as part of the FreD commitment.
- In France, as part of the FReD process and the agreement on occupational stress prevention, in 2014 88 managers received training under the "Managing the stress of your employees as well as your own" programme, comprising 62 new managers and 26 tenured managers.

Overall, as regards the actions on preventing occupational stress, Crédit Agricole CIB trained 182 employees, representing 2,520 training hours.

To combat psychosocial risks, Crédit Agricole CIB also provides an anonymous and confidential psychological support service to employees through a charge-free number.

Priority 4: Promoting employees' participation and social dialogue

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

Establishing and maintaining an active social dialogue with employees' representatives

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

■ Social dialogue within the entities of Crédit Agricole CIB France

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

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

It is informed and consulted on issues affecting general working conditions resulting from the organisation of labour, technology, employment conditions, working time, skills and ways of compensation.

The Works Council was renewed following an election in June 2014. It has the support of the Health, Safety and Working Conditions (CHSCT).

The CHSCT is made up of 12 members and aims at contributing to the protection of the health and safety of workers and improving working conditions. The body has been renewed in January 2014.

Crédit Agricole CIB has two staff delegations, one in Courbevoie and the other in Saint-Quentin-en-Yvelines. The Courbevoie delegation is composed of 23 members and 23 alternate members, while the delegation of Saint-Quentin-en-Yvelines is composed of 7 members and 7 alternate members. Personnel Delegates are mandated to report to the Executive management of the company individual or collective complaints relating to wages, the application of the Labour Code and the law on social protection, health and safety as well as conventions and agreements applicable to the company. These two delegations were renewed.following and election in June 2014.

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

Despite the absence of the Works Council during four months, 5 agreements have been signed in 2014:

- Two regarding compensation and peripheral,
- Three regarding the election organization of the employees' representatives (Works Council, personnel delegates, Directors representing employees).

Crédit Agricole CIB has accepted all requests for leave based on economic and social training and trade-union training formulated by employees and trade unions, which represented 136 days in 2014.

Number of company-wide agreements signed in France by theme

	2014	2013
Salary and related	3	14
Training	0	0
Staff representation bodies	3	2
Employment	1	3
Working time	0	2
Diversity and professional equality	1	1
Other	0	1
Total	**8**	**23**
% of business scope in France	*98 %*	*99 %*

Disseminating and sharing information with employees to foster discussions and involvement

Conference calls and management meetings are held regularly in France and simultaneously broadcast abroad to enable managers to meet the members of Crédit Agricole CIB General Management. Some 750 executives are invited to these meetings and conference calls, which are organised for every quarterly results publication and on a regular basis during the rest of the year for strategic topics. Participants are invited to ask questions in advance on an anonymous basis, and General Management then answers them during its presentations.

A dedicated space, the "Management corner", on the InsideLive global intranet also enables managers to find all the information that they need to convey to their staff.

In addition, conferences known as "Inside meetings" are offered on a regular basis to all employees in France on a wide variety of topics: strategy, news, corporate culture, sponsorship, etc. These events are an opportunity to become informed and to share information during the question and answer sessions at the end of the presentations.

In Hong Kong, thanks to the online "Leisure Learning" platform, sharing and networking workshops are held at lunchtime on a Friday every other month for Crédit Agricole CIB employees.

Promoting means of participation and expression for employees

Along with these regular meetings, several measures promoting employee participation were implemented at Crédit Agricole CIB in 2014.

To promote employee expression and discussions with General Management, a new in-house magazine format was launched in early autumn 2014. Renamed "Inside", this quarterly journal now offers a section entitled "Your turn" as a place for dialogue between employees. An online form on the InsideLive intranet enables them to ask their questions.

As part of the "FReD participatif" process launched this year at Crédit Agricole CIB, employees were asked to share their views by way of an online survey through 15 January 2015. This survey seeks to discover how employees feel about the FReD approach, the relevance of earlier action plans, communications and potential ways to improve the approach and get everyone involved. The results will be announced to all employees in the first quarter of 2015. This survey is accompanied by a contest in which employees can submit ideas for action plans.

Meanwhile, as part of an overall deliberation on the Compliance and Risk culture at Crédit Agricole CIB, a survey was conducted among all employees in France and abroad in May and June 2014. With an approximately 50% participation rate, this survey made it possible to think about how to strengthen this culture, notably by drafting a Crédit Agricole CIB Code of Conduct. In order to have all employees take it up and get involved, managers from the Bank's various business lines and support functions contributed to the drafting of the Code of Conduct project. This document was also shared with the international network.

In addition, in anticipation of the future collective site relocations to Montrouge and Saint-Quentin-en-Yvelines, Crédit Agricole CIB conducted a survey of its employees in France. The goal was to measure the level of information they had received and collect their views and expectations. This survey - administered in November 2014 to 3,600 employees - had a 74% participation rate. The results will be disclosed in early 2015 and will make it possible to prepare the next steps of the project.

Priority 5: Promoting the economic, social and cultural development of the home regions

Historically and in keeping with its values of solidarity and local support, Crédit Agricole S.A., has always paid close attention to actions that make it possible to improve conditions for education, public health and access to culture in the home regions of the Group's entities, both in France and abroad.

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

■ Employee involvement in schools

Crédit Agricole CIB ensures a strong presence in schools, particularly through the "School Captains" programme administered by Crédit Agricole S.A. This network includes 17 target institutions and involves some 50 Crédit Agricole CIB employees who promote the Company and the Group at their alma maters.

Many managers and employees join the HR teams in the Schools Forums in France and abroad (participating in 38 forums in 2014), to share their experience with students and receive applications for the various positions to be filled at Crédit Agricole CIB.

Other actions are also implemented in the form of educational partnerships (case studies, lectures, presentations of our business lines) and participation in admissions panels. Conferences as well as company visits are also organised for students. The Recruitment team continued its efforts to support the financial associations of engineering and business schools as well as universities, notably by financing their events and projects.

To promote social diversity, Crédit Agricole CIB also supports the "Our neighbourhoods have talent" association by participating in coaching workshops with youths from distressed economic areas. Currently, the Bank has 23 active male and female coaches offering their time voluntarily to help young graduates learn how to get a job. On Wednesday 11 June 2014, as part of the "Solidaires" days initiated by the Group, a conference was held to present the association and its actions to the broadest possible audience, notably through the accounts of the coaches. The discussions carried over to a "Solidaires" cocktail reception prepared by a sheltered employment workshop.

■ Employee involvement in solidarity actions

Crédit Agricole CIB seeks to promote and encourage the involvement of its employees in the areas of solidarity, assistance to the neediest, the environment and the public interest. In this respect, the Bank renewed in 2014 its programme "Solidaires by Crédit Agricole CIB" supporting non-profit projects submitted by employees and focused on the public interest through solidarity and social inclusion, in France and abroad. In 2014, the programme was launched in Asia, with four projects supported in Singapore, Hong Kong, Taiwan and India, respectively. This second edition of the "Solidaires by Crédit Agricole CIB" programme also provided financial support to 28 projects in France and four in the United Kingdom. The 36 projects selected benefited from a grant of up to €3,000 per project (€5,000 in London), as part of an allocation decided through a jury vote. In London, 24 individual initiatives and five group initiatives benefiting associations were also sponsored.

The Group's volunteer skills programme, "Solidaires", matches up employees looking to share their time and skills with associations searching for volunteers.

Financial community telethon

On 5 December 2014, Crédit Agricole CIB again took part in the Telethon for the Financial Community and, as in 2012, was the lead sponsor. This solidarity-oriented event, which has for nearly 20 years brought together financial market participants (banks, insurance companies, brokers, corporate lawyers, tax experts, etc.) for a six-hour race in Paris, is organised on behalf of the AFM-Téléthon to support scientific, medical and social innovation and research into rare genetic diseases.

This year, other Crédit Agricole Group entities joined employees from Crédit Agricole CIB under a common "Solidaires" banner: Crédit Agricole S.A., Amundi, CACEIS, LCL, Banque Privée Indosuez, Crédit Agricole Assurances, Silca and Crédit Agricole Leasing & Factoring. The 300 runners from Crédit Agricole CIB amassed a combined 4,179 laps for a contribution of €50,000 euros and a total Group contribution of €70,000. The families of the employees also took part in this festive and solidarity-oriented event.

Outside of France, Crédit Agricole CIB employees are also encouraged to participate in charitable and sporting events.

In India, a team of female employees of Crédit Agricole CIB participated in the only half-marathon reserved for women. The race, held in April 2014, was sponsored by the Daily News and Analysis, one of the country's leading daily papers. It was designed to encourage improved conditions for women, notably as regards matters of security, equality at work, health and education.

In Hong Kong, in March 2014, Crédit Agricole CIB was the main sponsor of the third annual "Goodman Interlink Magic Mile Charity Ramp Run". The participation of Bank employees made it possible to raise money for the Centre Benji, an association that enables children and adolescents from disadvantaged families and suffering from communication problems to receive assistance from language specialists.

As from 2014, all Crédit Agricole CIB Hong Kong employees with permanent contracts are allowed to take one day off per year to volunteer for charitable works.

In London in September 2014, the team of runners from Crédit Agricole CIB finished ninth out of 108 in the "Bloomberg Square Mile Relay". In so doing, they raised €2,521 on behalf of Aziza's Place, a charitable association supporting disadvantaged children in Cambodia. Similarly, on 6 November, Crédit Agricole CIB employees slept in the street for Centrepoint, a London-based charitable association. They thereby collected £ 3,544 (€4,468), which will go to help homeless youths in the city. The Charities Committee of London supported their initiative by making a matching contribution of £ 825 (€1,040) as part of the Solidaires programme.

In New York, Crédit Agricole CIB employees again volunteered for the 23rd annual "New York Cares Day Fall" devoted to fixing up the city's public schools. Our team of 70 employees accompanied by friends and parents helped to do a full renovation of Junior High School 8 Richard S. Crossley in Queens.

In Frankfurt, Germany, Crédit Agricole CIB employees completed their first-ever local CSR project by supporting the initiative of the NGO Johanniter. The participated in the organisation and running of the Christmas dinner for the homeless. At this evening, they also offered presents to 22 children from disadvantaged homes. For the event, more than 300 bags containing useful everyday items and bags of warm clothes for winter were also distributed by 12 volunteers. This initiative was complemented by donations from the Bank and its employees.

Culture

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

In that regard, in 2014 Crédit Agricole CIB supported the worldwide production of the musical comedy "An American in Paris" as part of its five-year partnership with the Théâtre du Châtelet. For the occasion, a conference about the musical was held for employees on 7 November, hosted by Patrick Niedo, an expert on musical comedies. A competition also took place, with 200 tickets for the winners.

ENVIRONMENTAL RESPONSIBILITY

A progress-driven approach based on employee participation

General environmental policy (indicator 2a)

For several years, Crédit Agricole CIB has conducted a three-part initiative:

- to reduce its direct environmental footprint (reductions in energy and paper consumption, implementation of a Company Travel Plan and deployment of recycling systems),
- to measure and reduce environmental and social risks related to its financing activity (notably through expanded-scope analyses based on the Equator Principles, the development of CSR sector policies and, more recently, the introduction of CSR scoring of corporate clients),
- to increase the positive impacts of its business through a Sustainable Banking activity.

In addition to controlling the Bank's direct environmental footprint, Crédit Agricole CIB seeks through this initiative to tackle societal objectives and help its clients overcome their social, environmental and solidarity-based challenges.

In a similar spirit, the Private Bank division seeks to promote socially responsible investment products to its clients.

Organisation and employee involvement

Sustainable development challenges are taken into account by Crédit Agricole CIB in accordance with the general guidelines proposed by the Sustainable Development department of Crédit Agricole S.A. and validated by the Sustainable Development Committee of the Crédit Agricole Group. They are the subject of two internal governance documents that define the framework.

A Sustainable Development department, which reports to the Corporate Secretariat, co-ordinates the implementation of Crédit Agricole CIB's sustainable development actions.

An ad-hoc committee, the Committee for the Evaluation of Operations with an Environmental or Social Risk (CERES), chaired by the head of the Compliance function, acts as the top-level committee of the system for evaluating and managing environmental and social risks related to the activity (see below).

The model developed by Crédit Agricole CIB is based on the daily involvement of all employees as agents of sustainable development in their work, when evaluating and managing direct or indirect environmental risks.

The FReD process

Crédit Agricole CIB also participates fully in the FReD process of the Crédit Agricole Group. For each participating entity, this process intended to strengthen CSR within the Group consists in 15 action plans focused on three key areas involving clients (Fides), employees (Respect) and the environment (Demeter). Specific and measurable objectives are defined for each plan, with an overall goal of advancing two levels per year on a progress scale consisting of five levels.

FReD progress achieved in 2014 and highlights for Crédit Agricole CIB

In 2014, the average level of progress recorded by the 15 action plans of Crédit Agricole CIB was 2.3. This progress indicator was identical to the level achieved in 2012 and 2013.

In 2014, action plans were initiated on such diverse matters as the introduction of a client recommendation index, raising awareness on the integration of people with disabilities and the consolidation of CSR scoring for corporate clients.

Similarly, in order to make this process even more participatory, employee feedback was sought as regards the process itself, the relevance of earlier plans, communications and potential areas for improvement and greater participation by all involved. Employees were also asked to propose ideas for new FReD action plans and participate in the preparation of plans that will be selected by a jury in 2015. These proposals may involve each of the three pillars: Fides, Respect and Demeter. In addition to the essential awareness-raising, this process seeks to create a follow-on effect and inspire employees to participate actively in the life of the Bank by adhering to its values.

At the outset of the FReD process in 2012, Crédit Agricole Private Banking deployed a special organisation at its main entities: in France with Indosuez Private Banking and abroad with CA Suisse, CA Luxembourg and Crédit Foncier de Monaco. To that end, the CAPB holding company and entities established a system to manage and monitor the projects. At each entity, 15 projects were deployed for the three pillars Fides, Respect and Demeter.

Prevention of direct environmental risks – Certifications and provisions

The "HQE Office Buildings used in Operations" certification received last year for the 9 Doumer head office building of Crédit Agricole CIB was renewed.

The performance levels of Crédit Agricole CIB's 14 targets were maintained: three targets at the base level (energy, water quality and acoustic comfort), six targets at the "performance" level (the building's relation with its environment, the integrated selection of systems, products and construction processes, a low environmental impact building site, olfactory comfort, sanitary quality of the spaces and sanitary air quality) and five targets at the "high performance" level (water management, management of business waste, sustainable maintenance of environmental performances, heat and humidity levels and visual comfort).

The Bank did not establish any provisions for environmental risks.

Prevention of indirect environmental risks

The client managers and senior bankers are responsible for analysing environmental and social challenges related to the activity. Whenever necessary, they call on the Sustainable Development team, and the most complex transactions from an environmental or social point of view are also submitted for recommendation to the CERES Committee. The system for assessing and managing these risks is described in the section "Assessing and managing the risks related to environmental and social impacts".

Awareness and training

The steadily increasing recognition of sustainable development issues in the activity (expanded application scope for the Equator Principles, CSR sector policies, scoring of corporate clients, etc.) and the central role assigned to employees in this system lead the Bank to focus closely on awareness-raising and training for employees. Accordingly, following the completion of an awareness-raising plan for all employees in late 2013, a map of training needs was completed in 2014 and presented to the CERES committee. The highest-priority training programmes will be implemented as from 2015.

Climate change (indicator 2d)

A carbon footprint audit was carried out in 2012 (based on 2011 figures) for the French sites of Crédit Agricole CIB as well as for its main offices abroad (Germany, Spain, Hong Kong, India, Italy, London, New York, Shanghai, Singapore and Tokyo). Covering 85% of all employees, this audit yielded a value of 73,800 tonnes of CO2e. The biggest items concerned the movement of people (39%) and energy consumption (29%). Since this scope is considered sufficiently representative, it can be estimated that the overall carbon footprint of Crédit Agricole CIB under the ADEME methodology would be 86,800 tonnes of CO2e for the Corporate and Investment Bank, of which 71% not related to Energy (so-called scope 3).

Since 2011, these conventional carbon footprint calculations have been complemented by an estimate of the carbon footprint related to the Bank's financing and investments, determined using an innovative methodology perfected by researchers at the Paris Dauphine Finance and Sustainable Development Chair, created in 2006 through a partnership between the Bank, the University of Paris Dauphine, Ecole Polytechnique and EdF. A second version of this methodology was developed in 2014 as part of a sector-based approach initiated by the Finance Club of the Corporate Societal Responsibility Observatory with the financial and technical support of ADEME and the Carbon Footprint Association and the technical support of the consultant Carbone4. This version offers a more traditional allocation by scope of greenhouse gas emissions to the various economic activities, in contrast to the allocation "by environmental challenge" proposed by the Finance and Sustainable Development Chair researchers. In 2014, the two versions were calculated for comparison purposes, resulting in a slightly lower total in the case of the allocation by scope. The difference is nevertheless small relative to the margin of calculation error and therefore not sufficient to modify the announced order of magnitude of 100 million tonnes of CO2e. This induced footprint, approximately 1,000 times greater than the estimated carbon footprint for Crédit Agricole CIB under the ADEME methodology, reflects the carbon intensity of the activities financed by Crédit Agricole CIB and corresponds to the Bank's active role in financing the global economy.

Various actions have been implemented to reduce the Bank's carbon footprint. As regards direct and indirect emissions, these actions include everything from energy savings to the Company Travel Plan developed in 2009 on the basis of the earlier carbon footprint audit and the use of the green-letter stamp for mailings, which results in considerably lower related emissions.

As regards financed emissions, the methodology developed by the University of Paris Dauphine researchers made it possible to develop an initial basic sectoral and geographic mapping. Since the Energy and Transport macro sectors account for more than 80% of these emissions, Crédit Agricole CIB developed CSR sector policies for these two sectors in 2012 and 2013.

Lastly, the Bank offset 7,483 tonnes of CO2e by cancelling Verified Carbon Units (VCU) certificates corresponding to dividends received in 2014 in connection with its investment in the Livelihoods Fund. This carbon investment fund provides investors with carbon credits, which have a major social impact and help to promote biodiversity. The Fund also finances large-scale projects in the areas of reforestation, sustainable agriculture and clean energy generation. These projects are implemented for and by deprived rural agricultural communities in developing countries in Asia, Africa and Latin America. The certificates received in 2014 came from a mangrove restoration project in Senegal and an agro-forestry project in the Araku valley in India.

Biodiversity protection (indicator 2e)

Since it exercises a services activity and is located in urban environments, the Bank does not have a significant direct impact on biodiversity.

However, the activities it finances may in some cases affect biodiversity. In its CSR sectoral policies, Crédit Agricole CIB therefore introduced analytical and exclusionary criteria based on biodiversity protection, with particular attention paid to important areas based on this criterion. Critical adverse impacts on the most sensitive protected areas, such as and wetlands covered by the Ramsar Convention, constitute exclusionary criteria under these policies, for example.

Regional, economic and social impact of the Company's activity (indicator 3a)

The positive and negative regional, economic and social impacts of Crédit Agricole CIB are for the most part indirect through its activity and do not directly affect neighbouring and local populations in a significant manner. They reflect its role as a major financer of the global economy and major player in debt markets. The principles set forth in the General Environmental Policy therefore seek to maximise the positive impacts and minimise the negative ones of Crédit Agricole CIB's activity by:

- implementing its environmental or social risk assessment and management system related to operations and clients,
- favouring so-called responsible financing transactions, in which issuers and investors factor social and environmental components into their investment decisions.

Offering its clients a diversified line of socially responsible investments is also an objective of CA Private Banking.

Since 2006, Crédit Agricole CIB has been a partner of the Quantitative Finance and Sustainable Development Chair of the University of Paris Dauphine and the Ecole Polytechnique. This multi-disciplinary project, supported from its inception by Crédit Agricole CIB, is unique in that it brings together specialists in quantitative finance, mathematics and sustainable development. One research area studied by this Chair since 2010 involves the quantification of indirect impacts of the financing and investment activities, notably greenhouse gas emissions induced by the activities of the Bank's clients. Meanwhile, a research initiative was launched in 2013 that comprises well-known researchers such as Jean-Michel Lasry, Pierre-Noël Giraud and Jacques Richard.

This ground-breaking work conducted in particular as part of the doctoral thesis of Antoine Rose focused first and foremost on the definition of a methodological framework, since no proven methodology has been established to date. These deliberations led to an operational macro-economic mapping tool for greenhouse gas emissions induced by financing and investment. Since 2012, this tool has enabled Crédit Agricole CIB to estimate the carbon footprint of its portfolios and to produce a sectoral and geographic mapping of its induced carbon emissions. Developed through academic research, the methodology was published in the economic thesis of Antoine Rose, which he defended publicly on 17 September 2014. This work has since been picked up as part of the sectoral approach used by ADEME/ORSE/ABC aimed at drafting a sectoral guide to quantify the greenhouse gas emissions of the financing and banking sector (published on 8 December 2014). The work of the Finance and Sustainable Development Chair thus contributes to the standardisation of practices to quantify the sector's direct impacts.

Other actions in support of human rights (indicator 3e)

Actions on behalf of employees are discussed in the section on Social Responsibility while those relating to subcontractors and suppliers are discussed below.

As with climate and biodiversity matters, however, the indirect impacts involving the financed activities appear more significant. They are assessed and managed as indicated in the previous section on the regional, economic and social impact of the Company's activity. The Bank's CSR sector policies are based notably on the fundamental conventions of the International Labour Organization (ILO) and the performance standards of the International Finance Corporation (IFC).

Relations with civil society (indicator 3b)

Crédit Agricole CIB played an important role in disseminating to other financial institutions the findings of the Finance and Sustainable Development Chair on how to quantify emissions related to these institutions' financing and investment activities. This innovative macro-economic approach enables a broad range of financial institutions to diagnose greenhouse gas emissions resulting from their financing and investments, whereas previously, the diagnostic work focused mainly on specific asset management and project financing activities and appeared unsuited to other banking activities (corporate and investment banking, retail banking, financial groups with multiple financial activities, etc.).

Crédit Agricole CIB actively participated in the sector approach recommended by French organisations promoting corporate social responsibility (ORSE, ADEME and ABC). This approach seeks to produce a practical guide listing the methodologies and tools to help the various financial market participants (banks, insurance companies, asset managers) assess their direct and indirect greenhouse gas emissions. In particular, the Bank was the co-leader of a working group on rules and recommendations for calculating emissions resulting from financing activities.

Crédit Agricole CIB also helped to organise a symposium at Windesheim University of Applied Sciences (Zwolle, the Netherlands) on the topic of societal responsibility in the financial sector. This one-day seminar focused on the issue of transparency and mediation mechanisms, with public debate among financial institutions, the university world and public interest advocates as well as a working session involving public- and private-sector financial institutions.

From a more operational point of view, it should be noted that the views of public interest groups on certain projects or controversial sectors are taken into account by the Bank on equal footing with other available information, as part of the transaction sensitivity analysis and during the preparation of the corresponding CSR sector policies (see below).

In consonance with the Wealth Management business line's focus on the individual, its development strategy and its business plan, Indosuez Private Banking has demonstrated its societal commitment since 2011 through the creation of "Fondation Indosuez" under the auspices of Fondation de France. Fondation Indosuez helps people in need, including the elderly, people with disabilities and adolescents and young adults suffering from addiction or engaging in risky behaviour. In France it supports concrete and innovative non-profit projects whose goal is to maximise social utility and not economic profit.

Created in 2012 and recognised for its activities serving the public interest, Fondation Crédit Agricole Suisse seeks to support projects that have a sustainable and demonstrably favourable environmental impact.

Through this foundation, Crédit Agricole Suisse supports forest conservation and preservation, reforestation-related economic development and awareness-raising among local communities.

Committed to principles of common sense and a long-term vision, the Bank supports these environmental projects through both financial support and the possibility offered to employees to share their skills within a network of partner associations.

Subcontracting and suppliers (indicator 3c)

A governance document describes the procurement function's general and operating principles at Crédit Agricole CIB, within the framework of Crédit Agricole SA's Procurement business line. These rules apply to all purchases made by Crédit Agricole CIB units. This document emphasizes the need to include, to the extent possible, a sheltered employment company in the list of subcontractors and suppliers.

Previously, subcontractors and suppliers had to indicate their policy as regards sustainable development and specify the measures intended to implement this policy, company-wide, through responses to a questionnaire. As part of Crédit Agricole SA's CSR MUST programme on procurement, deliberations are under way to provide a more detailed assessment of the suppliers' CSR performances, with several possible means being studied (questionnaire, use of a trusted third party, etc.). This work, which is expected to be completed in 2015, is designed to strengthen CSR practices through a responsible procurement policy and governance based on the following principles and areas: fair practices, ethical choices by purchasers to ensure fair treatment, respect for human rights by our suppliers, diversity and use of the sheltered employment sector for certain types of purchases.

Crédit Agricole Private Banking also participates in this CSR MUST procurement programme.

Help our clients to meet their social, environmental and solidarity challenges

Helping our clients to meet their social, environmental and solidarity challenges is an essential component of our CSR approach.

Financing the energy transition represents a major societal challenge, as emphasised in the latest assessment report of the Intergovernmental Panel on Climate Change (IPCC). That organisation estimates the volume of climate-related financing at approximately USD 350 billion per year, with most of this amount targeting mitigation measures. The private sector accounts for approximately two-thirds of the total financing.

Financing the energy transition

The commitment of the Crédit Agricole Group and its corporate and investment bank to fight global warming was noted by Jean-Yves Hocher, Deputy CEO of Crédit Agricole SA and Chief Executive Officer of Crédit Agricole CIB, at the "Climate Summit 2014" held on 23 September 2014 at the United Nations in New York.

He announced four concrete measures in particular:

- arrange more than USD 20 billion in new structured financing by end-2015 to combat climate change;
- measure and disclose the carbon footprint of the Bank's financing;
- for the sectors representing a total of 80% of carbon emissions financed by the Bank, apply sector policies that define the analytical and exclusionary criteria for selecting financings and investments;
- propose new partnerships to finance environmental projects.

Concurrent with this speech, Crédit Agricole CIB expressed its support for efforts to put a price on carbon. This initiative put forward by the World Bank was launched during the summit by a group of countries, companies and investors. By setting a price on carbon, the burden of damage caused by greenhouse gas emissions could be assigned to those responsible for the emissions and in a position to lower them. This appeal asks States around the world to support the establishment of a price for carbon.

Financing renewable energies is an integral part of Crédit Agricole CIB's strategy, and the Bank is a leading provider of such project financing. The Bank first entered this sector in 1997 by financing the first wind farms, and in 2008 it financed a solar energy project in Spain. The Project Finance business line has financed a total of 303 wind farms generating more than 14,000 MW and 35 solar farms representing more than 1,800 MW in installed capacity. In terms of the number of financing transactions, renewable energy represented nearly one-half of all project financing for power plants in 2014.

Crédit Agricole CIB's involvement in the financing of mountain-top-removal coal mining and the coal industry

Certain public interest groups have criticised the business relations between Crédit Agricole CIB and North American mining companies which, according to the critics, use mountain-top-removal (MTR) mining techniques. The controversy centres in particular on two Bank clients in the United States.

In accordance with the CSR sector policy for the mining and metals sector published in April 2013, the Bank has not participated since that date in any financing or investments linked directly to the development, construction or extension of an MTR coal mine and has not developed business relations with clients who are mainly active in that business. Since then, Crédit Agricole CIB has decided not to grant new credit lines to any company whose MTR activity or related activity has not ceased completely. This commitment, which goes beyond the exclusionary criteria mentioned in the Bank's CSR policy, shows Crédit Agricole CIB's willingness to adopt a responsible approach on a topic that remains controversial despite major regulatory changes in the United States.

Meanwhile, a study financed by certain public interest groups produced a ranking of the leading providers of bank financing to the coal industry, with Crédit Agricole ranked 20th on the list. Crédit Agricole CIB points out that these calculations are highly suspect for a number of reasons: aggregation of heterogeneous data, comparisons of variable scopes, inclusion of financing provided to highly diversified companies for which coal may represent only a marginal activity, etc. As evidence of the complexity of this matter, Crédit Agricole CIB was not able to replicate these calculations as regards its own activities. We can nevertheless affirm that financing transactions directly related to the construction or extension of "coal" assets (coal mines or power plants) are now of very marginal importance to the Bank. In 2014, for example, no project financing or buyer credit was granted in connection with the financing of the construction or extension of a coal mine. Only one coal-fired power plant was financed. It is much harder to identify indirect financing of such assets via loans to industrial companies that are not earmarked for specifc assets. These issues will be examined further in 2015, although no guarantee of comprehensiveness can be claimed.

When it comes to redirecting financing transactions toward less carbon-intensive activities, the establishment of a price for carbon, which is the only way to introduce a relevant economic indicator, combined with an effort to quantify the volume of financed greenhouse gas emissions using macro-economic approaches such as the one currently used by the Bank, will have a much greater impact than the aforementioned rankings.

In addition to project financing, Crédit Agricole CIB works to fight climate change through numerous green bonds that it structures.

Green bonds and Sustainability bonds

Green bonds can play a prominent role in steering bond markets toward financing initiatives that help fight climate change. In addition, social and environmental bonds, also known as sustainability bonds, create a link between market products and the infrastructures needed to build a more equitable society. They also provide investors with specific indicators on the financed projects as well as their social impacts and environmental benefits. A growing number of our investor clients value this information and the additional commitment by issuers.

Active in this market since 2010, Crédit Agricole CIB arranged nearly USD 11.9 billion in green bonds and sustainability bonds in 2014 for its large clients as well as numerous proprietary transactions (see next section), thereby confirming its position as the world's leading arranger of green, social and sustainability bonds. Accordingly, at the Global Capital Bond Awards in May 2014, the Bank was named the "Best Green & SRI Bonds Lead Manager".

Crédit Agricole CIB was also instrumental in introducing several major innovations to this market:

- the first green bond to disclose estimated social and environmental impacts (KfW),
- the first themed covered issue ever made (Munich Hypothekenbank),
- the first transaction involving a property company (Unibail Rodamco),
- the first asset-backed green bond transaction (Toyota),
- the largest-ever green bond issue (GDF),
- the first euro-denominated green high-yield bond (Abengoa),
- the first green bond for an Italian issuer (Hera),
- the first US dollar-denominated climate awareness bond by the European Investment Bank,
- the inaugural green bond benchmark transactions of Nordic Investment Bank, the French Development Agency, Lloyds Bank and BNG Bank,
- and several issues for French public authorities (Ile de France regional authority, Essonne departmental authority).
- Lastly, Crédit Agricole CIB helped to develop the market at several levels.
- The Bank is a founding member of the Green Bond Principles and an active member of the Executive Committee of this financial market initiative.
- Recognising the decisive role played by Crédit Agricole CIB in the development of the green bond market, the United Nations invited Jean-Yves Hocher to speak to the Climate Summit 2014,

launching the start of negotiations leading up to the Conference of the Parties to be held in Paris in 2015.

- Crédit Agricole CIB played a key role in the entrance of Sustainalytics and Oekom Research on the "second opinion" market, which thanks to emulation among participants contributes to improving best practices and thereby raising the quality of green bonds and sustainability bonds.
- Determined to promote the development of this market and educate all participants, the Bank organised or participated in 21 green bond and sustainability bond events around the world (including in Tokyo, Mexico and Sao Paulo).

Green notes

Concept & Description

In 2013, Crédit Agricole CIB developed a new product: the «Crédit Agricole CIB Green Notes.» The Green Notes are bonds or any other financial instrument issued by Crédit Agricole CIB whose funds raised are dedicated to funding environmental projects.

For its Green Notes, Crédit Agricole CIB has followed the principles laid down by the «Principes pour les obligations vertes» or «Green Bond Principles» which are voluntary principles for the formulation of Green Bonds and for market guidance. They are offered by the major Green Bonds arranging banks, including Crédit Agricole CIB.

Crédit Agricole CIB's Green Notes are presented based on four structuring lines, defined by the Green Bond Principles:

- Use of the funds;
- Projects assessment and selection;
- Funds monitoring;
- Reporting.

■ Use of the funds

The funds raised by the «Green Notes» support Crédit Agricole CIB's green loans portfolio composed of loans to businesses and projects demonstrating good environmental and social performance and belonging to a key sector of the transition to a greener economy.

■ Projects assessment and selection

Projects and companies are selected based on a rigorous methodology. Each counterparty of the portfolio of Crédit Agricole CIB is given an Environmental, Social and Governance (ESG) rating as a function of its relative performance within its industry in an approach known as «Best-in-class.» These grades range from A to G, A being given to the best students, G to the worst. These ratings are based on ESG ratings provided by an independent external service provider.

To be eligible to the green portfolio, companies must:

- figure as the best protagonists in their sector, both in terms of overall ESG performance and more specifically in environmental performance. Only companies with a higher than D rating on these two criteria are eligible to the green portfolio;
- belong to a key sector for the transition to a greener economy, namely renewable energy (wind, solar, hydro) and energy efficiency (railways, building with low energy consumption and positive energy, smart grid, waste management).

■ Funds monitoring

The identification of the loans comprising the green portfolio and the monitoring of their amounts are included in Crédit Agricole CIB's loans management information system and supervised by a dedicated team. Internally, this team ensures the on-going adequacy of the amount of funds raised by Crédit Agricole CIB's Green Notes and the amount of the green portfolio. For investors, there is therefore an immediate correspondence between the green portfolio and their investments, without disbursement delay by Crédit Agricole CIB. Crédit Agricole CIB is committed to ensuring that the amount raised by Green Notes is strictly less than the amount of the green portfolio managed by Crédit Agricole CIB. In the unlikely event that the amount raised by Green Notes exceeds the amount of the green portfolio, the balance will be allocated on a provisional basis to the Bank's general operations.

■ Reporting

Crédit Agricole publishes on a half-year basis a report on the use of funds. Due to confidentiality obligations, reporting is done on a basis of anonymous examples of projects and financed companies highlighting the best environmental practices of companies and projects financed.

The auditors of Crédit Agricole CIB check that the process set-up by Crédit Agricole CIB is respected and is in line with the implemented methodology on an annual basis.

Inventory

■ Amounts issued

As at 31 December 2014, Crédit Agricole CIB had funded thanks to the Green Notes and to similar debt instruments, €1.2 billion of green loans that meet the eligibility criteria as defined above.

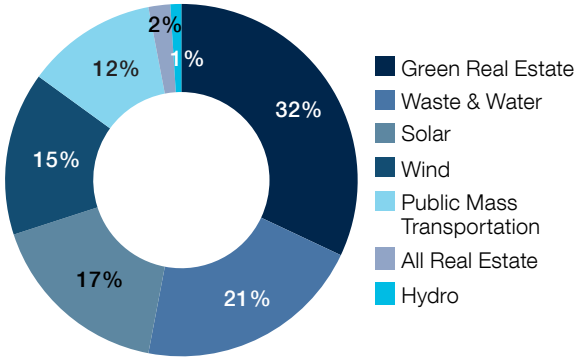
Issue date	Maturity date	Currency	Currency Amount (million)
25 Feb 2013	24 Aug 2016	BRL	7
17 June 2013	18 Dec 2017	MXN	70
23 July 2013	24 July 2017	JPY	25,200
07 Aug 2013	09 Aug 2018	JPY	125
07 Aug 2013	09 Aug 2020	BRL	1
24 Sept 2013	24 Sept 2020	JPY	5,410
30 Oct 2013	30 Oct 2017	JPY	13,360
25 Nov 2013	26 Nov 2018	MXN	260
18 Dec 2013	18 Dec 2018	AUD	60
18 Dec 2013	18 Dec 2018	USD	52
27 Dec 2013	27 Dec 2017	TRY	6
27 Jan 2014	25 Jan 2018	JPY	10,620
30 Jan 2014	30 Jan 2017	TRY	38
14 Feb 2014	14 Feb 2018	TRY	160
05 March 2014	05 March 2018	JPY	12,660
06 March 2014	07 March 2019	JPY	120
29 May 2014	30 May 2019	JPY	331
02 June 2014	04 June 2018	JPY	7,664
25 June 2014	26 June 2017	BRL	17
26 June 2014	25 Sept 2017	BRL	11
02 July 2014	20 June 2018	AUD	45
29 July 2014	30 July 2019	JPY	100
25 Sept 2014	26 Sept 2017	BRL	21
28 Oct 2014	29 Oct 2019	INR	1,650
25 Nov 2014	21 Nov 2019	AUD	32
25 Nov 2014	21 Nov 2019	MXN	350
26 Nov 2014	28 Nov 2018	IDR	32,000
26 Nov 2014	26 Sept 2017	BRL	11
28 Nov 2014	28 May 2019	AUD	58
28 Nov 2014	27 Nov 2019	NZD	23
28 Nov 2014	27 Nov 2019	USD	17
28 Nov 2014	28 Nov 2018	BRL	43
28 Nov 2014	28 Nov 2018	TRY	27
19 Dec 2014	18 Dec 2019	INR	1,050
29 Dec 2014	29 Dec 2018	IDR	52,000(1)

(1) The sum of the operations in the table above is below the amount quoted in the text, some transactions being not mentioned due to confidentiality reasons.

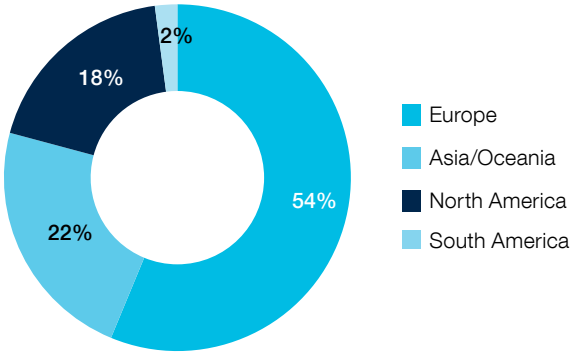
■ Breakdown of portfolio

As at 31 December 2014, the breakdown of the green portfolio is as follows. It is well diversified, both geographically and sectorially, in line with Crédit Agricole CIB's conviction that the transition to a greener economy will involve numerous industrial sectors, around the world.

Breakdown by sector



Breakdown by region



Promoting Socially Responsible Investment (SRI) in the Private Bank

Even though its corporate client base comprises mostly SMEs, the Private Bank integrates environmental and social components into its risk analysis based on the sector policies defined by Crédit Agricole CIB and the Group. The compliance risk grid for credit transactions covers these issues, supported by a special opinion if necessary.

Socially responsible investment (SRI) seeks to reconcile an investment's economic performance with its social and environmental impact by providing financing to companies and public-sector entities that contribute to sustainable development, regardless of the economic sector. By influencing the governance and behaviour of market participants, SRI promotes a responsible economy.

Together with Amundi's SRI analysts, Crédit Agricole Private Banking offers to assess client portfolios based on SRI criteria - as well as price and investment return criteria. This decidedly innovative approach makes it possible to assign a rating to the asset classes making up the portfolio and thereby give clients a dynamic view of the SRI component of their investments.

This procedure, which is already operational in Switzerland, will be gradually expanded to the Private Bank's various entities.

Assessing and managing risks linked to environmental and social impacts

Implementation

The environmental and social impacts resulting from the financing activity appear to be substantially greater than the Bank's direct environmental footprint. Taking these indirect impacts into account is one of the main sustainable development challenges for Crédit Agricole CIB. The system for managing these activity-related environmental and social risks is presented below.

Crédit Agricole CIB has been assessing the environmental and social impacts of transactions since 2009. Accordingly, before the Credit Committee renders a decision, the Committee for the Evaluation of Operations with an Environmental or Social Risk (CERES) issues recommendations for all transactions whose environmental or social aspects require close monitoring. CERES validates the ratings of the transactions in accordance with the Equator Principles, issues opinions and recommendations on transactions classified as sensitive in respect of environmental and social aspects and approves the CSR sector policies prior to their validation by the Strategies and Portfolios Committee.

The recognition of environmental and social risks is based on three pillars: application of the Equator Principles for transactions linked directly to a project, CSR sector policies and an analysis of the transactions' environmental or social sensitivity. In 2013, Crédit Agricole CIB also introduced a scoring system for all its corporate clients.

The Equator Principles were developed to address the limitations and action mechanisms inherent in the project financing process, as defined by the Basel Committee on Banking Supervision. Although they cannot always be applied in their current state to other types of financing, they nevertheless represent a useful methodological framework for recognising and preventing environmental and social impacts in cases where the financing appears to be linked to the construction of a specific industrial asset (plant, transport infrastructure, etc.).

Crédit Agricole CIB, which was already applying these rules on a best effort basis for non-project-finance activities, expanded their scope of application as from 1 January 2014, in accordance with the new version of the Equator Principles adopted in June 2013.

Equator Principles

At Crédit Agricole CIB, the implementation of the Equator Principles was developed through an initiative of the Project Finance business line. Environmental and social risks are first assessed and managed by the account manager based on the rating, with very close attention paid to projects rated "A". The account managers are backed by a network of local correspondents, who provide the necessary support in each regional Project Finance structuring centre and remain in constant communication with a co-ordinating unit.

The Industry and Sector Research unit, an integral part of Crédit Agricole S.A, provides additional support and clarification by contributing its environmental and technical expertise, thereby making it possible to refine the risk analysis and identification for each business sector. The Co-ordination unit, which comprises operating staff from the Project Finance business line, co-ordinates the practical aspects of the implementation of the Equator Principles. It manages the network of local correspondents and implements specialised training for participants.

The Equator Principles represent a due diligence process for the Bank and an obligation for borrowers to develop their projects in compliance with International Finance Corporation (IFC) standards.

The first step consists in assessing each project on the basis of its environmental and social impacts, based on the IFC classification system.

Projects' assessment

The IFC classification has three levels:

- **Category A :** Projects expected to have significant adverse social and/or environmental impacts that are diverse, irreversible, or unprecedented.
- **Category B :** Projects expected to have limited adverse social and/or environmental impacts that can be readily addressed through mitigation measures.
- **Category C :** Projects expected to have minimal or no adverse impacts.

Crédit Agricole CIB classifies projects based on a social and environmental impact assessment tool developed by the Bank in 2008. The relevance of this tool is constantly verified to reflect actual results, with the most recent major update performed in 2010.

Environmental and social obligations are then introduced into the loan agreements in order to ensure that the projects are properly developed and operated in accordance with IFC environmental and social standards. That includes in particular the obligation to consult the affected populations and, in some cases, to obtain their consent.

These principles, which initially applied only to project financing, have been extended as from 1 January 2014 to four types of banking activities defined in the Equator Principles framework:

- Advisory services
- Project finance
- Project-related Corporate Loans (PRCL)
- Bridge loans

As a member of the group of ten banks that launched the Equator Principles in June 2003, Crédit Agricole CIB played a major role in expanding the scope of these principles in its capacity as a co-leader of the ad-hoc working group. Having already become the established market standard in project finance in a few short years, the Equator Principles now make it possible to assess and manage risks related to environmental and social impacts for a broader range of financing transactions.

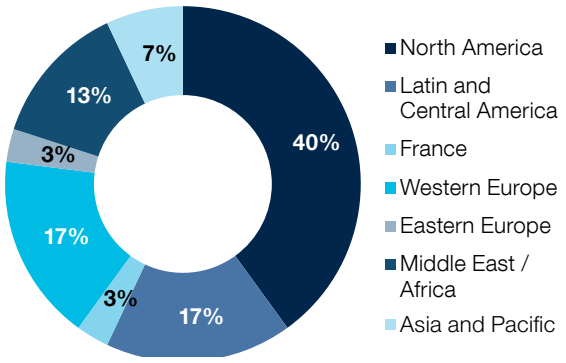
■ Statistics

A total of 30 projects were signed in 2014 and classified into categories A, B and C. At 31 December 2014, the number of portfolio projects stood at 352. The projects break down by rating as follows:

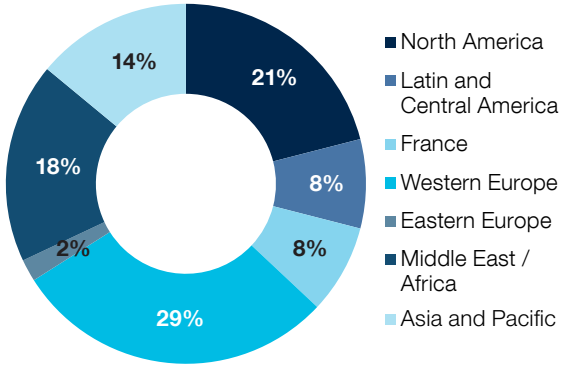
- • 26 rated A, including five in 2014,
- • 265 rated B, including 23 in 2014,
- • 61 rated C, including two in 2014.

Sector-specific and geographic distributions are as follows:

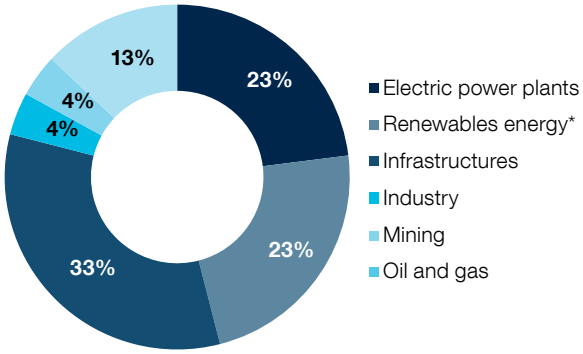
Ranked projects signed in 2014 Breakdown by region



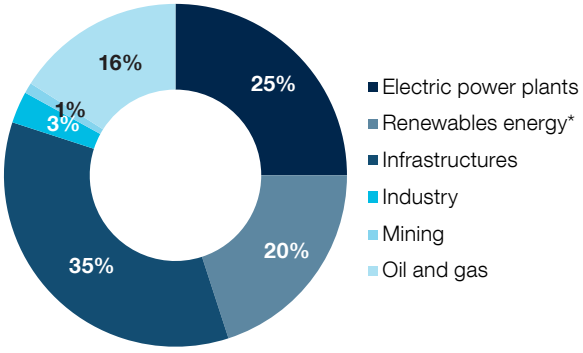
Ranked projects in the portfolio as of 31 December 2014 - Breakdown by region



Ranked projects signed in 2014
Breakdown by economic sector



Ranked projects in the portfolio as of
31 December 2014
Breakdown by economic sector



(*) Energies renouvelables : éolien, solaire, biomasse et hydraulique.

2 PRCL have been signed in 2014 and have been ranked according to A, B and C categories. The breakdown of the projects is as follows:

- 1 A-project,
- 1 B-project

One of these PRCL concerns electric power plants and the other concerns the Industry. Besides, one is located in Latin and Central America and the second in Asia and Pacific region.

CSR sector policies

Resolutely committed to financing the real economy and supporting large-scale projects that promote sustainable local and regional development, Crédit Agricole CIB has sought to include social and environmental criteria in its financing policies. These criteria essentially reflect issues of concern to civil society that appear most relevant for a corporate and investment bank, in particular in connection with respect for human rights, fighting global warming and preserving biodiversity. The goal of the CSR sector policies, which are disclosed in order to promote transparency, is therefore to clarify the non-financial principles and rules relating to financing and investments in the corresponding sectors, in accordance with the policy of the Crédit Agricole S.A. Group.

Crédit Agricole CIB researched best practices recognised by leading international organisations and trade associations and formulated analytical and exclusionary criteria based on these guidelines. The principles and rules defined apply to all Crédit Agricole CIB's financing and investment transactions and will be revised as needed to reflect the latest information and the Bank's assessment of the issues at stake.

These policies, which reflect a clear affirmation of the Bank's commitments, were developed for the sectors listed below.

Military and defense equipment

Crédit Agricole CIB applies the Crédit Agricole Group's sector policies as regards arms. In particular, this policy calls for extinguishing loan facilities to companies manufacturing or selling anti-personnel mines or cluster bombs.

As regards the transactional financing of military and defence equipment, numerous conditions also apply to the nature of the transactions, the identity of the parties and their approval by official bodies.

Energy sector

Energy sector policies establish the operational rules applicable to financing and investment transactions in the following sub-sectors: oil and gas, shale gas, coal-fired plants, hydro-electric plants and nuclear plants.

Mining and metals sector

Complementing the energy sector policies, a specific policy covers extractive industries given the significant stakes as regards biodiversity and human rights.

Transport sector

Given the proportional significance of the transport sector in the mapping of indirect greenhouse gas emissions, Crédit Agricole CIB formalised and published its principles applicable to this sector in 2013. They cover the following sub-sectors: aeronautics, maritime and automotive supply chains.

Transport infrastructure sector

Given the vital role of transport infrastructures in local and regional economies, Crédit Agricole CIB formalised and published a policy on this sector in 2014.

CSR scoring of clients

In late 2013, Crédit Agricole CIB introduced a CSR scoring system for all corporate clients designed to complement its system for assessing and managing environmental and social risks related to transactions. Clients are rated each year on a scale that includes three levels (Advanced, Conforming and Sensitive), with these ratings based on:

- compliance with existing sector policies,
- existence of reputational risk for the Bank (Sensitive rating)
- client's inclusion in leading global CSR indices (Advanced rating).

CERES activity

In 2014, CERES met six times to discuss agenda items such as: reviewing transactions signed during the year and validating ratings based on the Equator Principles; monitoring sensitive cases; validating draft policies on governance and procedures prior to their presentation to the Strategies and Portfolios Committee; and validating new training modules for employees on sustainable development issues.

In 2014, CERES specifically reviewed 14 transactions before they were sent to the Credit Committee, given their importance and the sensitivity of potential environmental or social impacts. In one case, its recommendation resulted in the decision not to do business with a prospect, and in several other cases special conditions were imposed to manage environmental and social risks. These conditions may result in some commercial opportunities not being pursued.

Limiting our direct environmental footprint

Pollution and waste management (indicator 2b)

Crédit Agricole CIB does not generate significant pollution directly. The Bank nevertheless devotes substantial effort to waste recycling.

In Paris, printer cartridges and toner are collected and recycled by the company that supplies the printers. Computer equipment such as servers and monitors is collected by a reseller several times a year. Office furniture collected during office relocations is given to a State-certified, non-profit environmental organisation that refurbishes and recycles it. Lastly, recycling actions are also implemented for light bulbs, neon signs on buildings, used batteries and pens.

In London, the plan to reduce consumption of ink and recycle printer cartridges and toner continued in 2014. These efforts have made it possible to reduce ink cartridge consumption by more than 70% since 2012. This plan complements the efforts carried out at Crédit Agricole CIB London since 2011 on recycling food waste and electronic equipment. Functioning IT equipment is resold and makes it possible to finance a charitable donation, with the beneficiary selected by the London Branch Charities Committee; if non-functioning it is recycled by specialised companies. Through these actions, 100% of the toner and computer equipment is therefore recycled. Lastly, collected food waste is now transformed into wastewater in a 24-hour period thanks to Waste2O machines.

The Bank does not generate significant noise pollution.

Sustainable use of resources (indicator 2c)

Consistent with the Crédit Agricole S.A. Group's consolidated reporting, the indicators selected concern the consumption of electricity, gas, water and printer and copier paper. The data are for the calendar year (1 January – 31 December), for the Ile-de-France buildings (excluding datacentres and Private Bank).

Water consumption

	Consumption (m3)	% change y-o-y	Surface area (m2)	% change y-o-y	Ratio (m3/m2/yr)	% change y-o-y
Water	66,341	-6.6%	99,136	-0.1%	0.67	-6.5%

The replacement of valve assemblies on water tanks, installation of automatic taps, adjustments to flush mechanisms in toilets and a campaign to inspect plumbing and repair leaks helped to keep water consumption low at Crédit Agricole CIB's Ile-de-France facilities.

Paper

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

In addition, nearly all of the printer paper (document management, copiers and reprographic centres) used by Crédit Agricole CIB in Paris, London and New York has received Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certification, demonstrating that it comes from sustainably managed forests. The Ecofolio logo is also on all documents distributed outside of the Bank.

The Company has reduced the thickness of its business cards. These cards are produced by a sheltered employment company. Similarly, the number of greeting cards is reduced each year in favour of e-cards. This initiative has made it possible to reduce the production of paper greeting cards by 37% since 2012.

Badge-controlled printing, which will eliminate unclaimed print-outs, will also be extended.

Energy

Energy	Consumption (kWh)	% change y-o-y	Surface area (m2)	% change y-o-y	Ratio (m3/m2/yr)	% change y-o-y
Electricity	29,079,033	-15.4%	100,105	-9.6%	290	-6.3%
Gas	882,869	-24%	12,278	-17.7%	72	-7.8%

Electricity consumption at the Ile-de-France buildings fell by 15.4% in 2014. This decrease was due in part to the reduction in the number of machines located in our IT rooms and in part to investments in new technologies in recent years, such as LED lighting, motion detector lighting in common areas and automation of power-hungry appliances in the company cafeteria.

Meanwhile, the relative share of power from renewable energy sources at the head office increased from 25% in 2013 to 35% in 2014.

Crédit Agricole CIB began to implement monthly reporting of performance indicators at its entities. At end-2014, this scope included India, Japan, Singapore, Hong Kong, London and Paris.

The London branch also initiated a "Turn off your screens" campaign aimed at saving energy by encouraging users to turn off their monitors when absent.

Transport: Company Travel Plan

A Company Travel Plan (CTP) was prepared in 2009 for the Ile-de-France scope. This five-year plan includes a three-year component on business travel, which accounts for to the majority of transport-related emissions, with the goal of reducing said emissions by 15% compared with the 2005-2007 average.

This plan resulted in particular in the following concrete achievements:

- The travel policy was reviewed on several occasions and constitutes a key part of the CTP (e.g. use of economy class for air travel of less than four hours and travel where the length of stay is more than five working days, travel of less than three hours by train, mandatory use of train for some destinations, ban on travel for meetings lasting less than a half-day, limits on the use of taxis). The number of trips has been significantly reduced (36% decrease between 2007 and 2014). Train travel increased relative to air travel, rising to 52% in 2014 from only 40% in 2007.
- Company vehicles: as regards greenhouse gas emissions related to company vehicles, the CTP goal of reducing greenhouse gas emissions by 20% over five years was achieved. At end-December 2014, the Bank had reduced its vehicle fleet emissions by 26%.

- Company vehicles: as regards greenhouse gas emissions related to company vehicles, the CTP goal of reducing greenhouse gas emissions by 20% over five years was achieved. At end-December 2014, the Bank had reduced its vehicle fleet emissions by 26%.

Year	Number of vehicles	Avg. GG emissions / vehicle	Change in GG emissions relative to 2009
2009	210	177	
2010			
2011	234	153.4	-13%
2012			
2013	189	137.7	-22%
2014	171	130.9	-26%

- In 2014, Crédit Agricole CIB London continued to promote its "Cycle to work" programme, which mirrors the British government's efforts to encourage people to ride bicycles to work.
- Carpooling: in June 2014, Crédit Agricole CIB along with the other Crédit Agricole Group entities at the Saint-Quentin-en-Yvelines site offered the WayzUp smartphone app to all employees at the SQY Park campus, which enables carpooling for commuting. Three special events were held for campus employees in June and September 2014 and in January 2015. The Saint-Quentin-en-Yvelines metropolitan authority (Communauté d'Agglomération de SQY) is registered on this app, as are numerous large corporations (Renault Technocentre; Safran, Bouygues Construction, Hilti), making it possible to list a broader range of car-pooling offers. This car-pooling app has received the innovation award from the Ile-de-France Regional Council and the STIF (Ile-de-France transport trade union).

Land use

The Bank is not responsible for significant land use.

CROSS-REFERENCE TABLE

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

Indicators	Where to find them ?
1) Social indicators	
a) Jobs	
• Total employees, broken down by gender, age and region	p. 24, 25
• Hirings and lay-offs	p. 26, 34
• Compensation and its change	p. 35
b) Work organization	
• Organisation of working hours	p. 26
• Absenteism	p. 36
c) Labour relations	
• Dialogue between management and employees, namely employee notification, consultation and negotiation procedures	p. 37
• Overview of collective agreements	p. 37
d) Health and safety	
• Workplace health and safety conditions	p. 36
• Agreements signed with labour unions or employee representatives with regard to workplace health and safety	p. 37
• Workplace accidents, namely their frequency and severity, as well as occupational diseases	p. 36
e) Training	
• Training policies	p. 29
• Total number of training hours	p. 30
f) Equality	
• Measures taken to promote gender equality	p. 31
• Measures taken to promote equal employment opportunities for and integration of people with disabilities	p. 32
• Anti-discrimination policy	p. 32, 33
g) Promotion and adherence to the terms of the conventions of the International Labour Organisation with regard to:	p. 32, 33
• Respect for freedom of association and the right to collective bargaining	
• Elimination of discrimination in employment and occupation	
• Elimination of forced or compulsory labour	
• Effective abolition of child labour	
2) Environmental indicators	
a) General environmental policy	
• Organisation of the company to take environmental issues into account and, where applicable, environmental assessment and certification procedures	p. 41
• Employee training and education with regard to environmental protection	p. 41, 42
• Resources allocated to prevent environmental risks and pollution	p. 41, 42
• Amount of provisions and guarantees for environment-related risks, except where this information is likely to cause serious prejudice to the Company in a current dispute or lawsuit	p. 41

Indicateurs	Où les retrouver ?
b) Pollution and waste management	
• Measures to prevent, reduce or remedy discharges into the air, water and soil that seriously affect the environment	p. 51
• Measures to prevent, recycle and dispose of waste	p. 51
• Measures to prevent noise pollution and any other form of pollution caused by the business activities	p. 51
c) Sustainable use of resources	
• Water consumption and supply with respect to local constraints	p. 52
• Raw materials consumption and measures taken to promote efficient use of raw materials	p. 52
• Energy consumption, measures taken to improve energy efficiency and use of renewable energy	p. 52
• Land use	p. 53
d) Climate change	
• Greenhouse gas emissions	p. 42
• Adaptation to the consequences of climate change	p. 42
e) Biodiversity protection	
• Measures taken to preserve or promote biodiversity	p. 42
3) Indicators relative to societal commitments in favour of sustainable development	
a) Regional, economic and social impact of the Company's activities	
• With regard to employment and regional development	p. 43
• On neighbouring and local populations	p. 43
b) Relations with individuals or organisations that have a stake in the Company's activities, namely job placement associations, educational institutions, environmental associations, consumer associations and neighbouring populations	
• Conditions for dialogue with these individuals or organisations	p. 43, 44
• Corporate partnership or sponsorship actions	p. 38 to 40
c) Sub-contractors and suppliers	
• Application of social and environmental criteria in the procurement policy	p. 44
• Magnitude of sub-contracting operations and consideration of sub-contractors' and suppliers' social and environmental responsibility	p. 44
d) Fair business practices	
• Actions taken to prevent corruption	p. 21
• Measures taken in favour of consumer health and safety	p. 21 to 23
e) Other actions in support of human rights	p. 43

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED ENVIRONMENTAL, LABOUR AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2014

To the Shareholders,

In our capacity as Statutory Auditor of Crédit Agricole Corporate and Investment Bank, appointed as an independent third party and certified by COFRAC under number 3-1060, we hereby present to you our report on the consolidated environmental, labour and social information for the year ended on 31 December 2014, presented in the management report (hereinafter the «CSR Information»), in accordance with Article L.225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the company

The Management Board is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the procedures and guidelines used by the company (hereinafter the «Guidelines»), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of 3 persons[1] between the December 2014 and mid-February 2014 and took around 10 weeks . We were assisted in our work by our specialists in corporate social responsibility.

We performed our work in accordance with the French professional auditing standards related to labour and environmental information falling within the scope of procedures directly related to the statutory audit engagement (NEP 9090), with the decree of 13 May 2013 determining the conditions in which the independent third party performs its engagement and with ISAE 3000[2] concerning our reasoned opinion on the fairness of the CSR Information.

1. Statement of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the Company's sustainable development strategy with respect to the labour and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed , we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological information, "Social Responsibility" section of the management report.

Based on this work and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

[1] whose scope is available at www.cofrac.fr.
[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of our work

We conducted around 10 interviews with 21 persons responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance , completeness8, reliability8, impartiality8 and comprehensibility8, and taking into account best practices where appropriate ;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and reviewed the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the Company, the labour and environmental challenges of its activities, its sustainable development policy and best practices.

With regard to the CSR Information that we considered to be the most important:

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in concordance with the other information in the management report;
- at the level of a representative sample of entities selected by us, namely CA-CIB France, CA Suisse, CA-CIB US and CFM Monaco, on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis , we conducted interviews to ensure that procedures are followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 64% of headcount and between 46% and 50% of quantitative environmental data[3].

For the other consolidated CSR information, we assessed consistency based on our understanding of the company.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot provide assurance with absolution that the information disclosed is free of material misstatements.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Neuilly sur Seine, 19 March 2015,

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Catherine Pariset
Partner

Emmanuel Benoist
Partner

Sylvain Lambert
Partner of Sustainability Development

[3] Quantitative environmental data's coverage rates are calculated on the surface area of the buildings occupied by the audited entities.

Appendix: List of information that we considered to be the most important

Social information:

- Total workforce;
- Distribution of employees by sex, age and geographic area, including indicators on number of employees by contract and by status at year-end, number of employees by activity at year-end, number of employees on permanent contract by age at year-end;
- Hiring and lay-offs, including indicators on incoming employees on permanent and fixed-term contracts and outgoing employees on permanent contracts;
- Absenteeism, including absenteeism rate indicator;
- Organization of labour-management dialogue;
- Health and safety conditions;
- Training policies, including indicators on the number of employees trained and number of training actions;
- Total number of training hours ;
- Measures taken in favour of the equality between men and women;
- Measures taken in favour of the employment and the insertion of handicapped people.

Environmental information:

- Company organization to take into account environmental issues;
- Measures to prevent, recycle and eliminate waste;
- Raw materials consumption and measures taken to improve the efficiency of their use;
- Energy consumption and measures taken to improve energetic efficiency and the use of renewable energy;
- Greenhouse gas emissions;
- Adaptation to climate change consequences;
- Equator Principles and Green Bonds.

Societal information :

- Territorial, economic and social impact of the company activity in terms of employment and regional development;
- Territorial, economic and social impact of the company activity on local people;
- Conditions of relationship with people and organizations;
- Partnership and patronage actions;
- Inclusion of social and environment issues in the purchase policy;
- Importance of subcontracting and inclusion in the relationships with suppliers and subcontractors of their social and environmental responsibility;
- Actions carried out to prevent corruption;
- Measures taken in favour of consumers health and safety;
- Other actions carried out to promote human rights.

3

CORPORATE GOVERNANCE

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CHAIRMAN OF THE BOARD OF DIRECTORS' REPORT

To the shareholders,

In accordance with article L. 225-37 of the French Commercial Code, this report is presented alongside the management report drawn up by the Board of Directors, in order to provide you with information on the way in which the work done by the Board of Directors is prepared and organised, and on the internal control and risk management procedures implemented by Crédit Agricole Corporate and Investment Bank, as described from the page 70. Besides, it should also be noted that the Company's corporate governance system and internal control and risk management procedures are consistent with those of Credit Agricole S.A. and the Credit Agricole Group.

This report has been prepared on the basis:

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

This report was presented to the Audit and Risks Committee on 11 February 2015 and was approved by the Board of Directors at its meeting of 16 February 2015.

Use of a corporate governance code

The Company uses the AFEP/MEDEF corporate governance code, revised in June 2013. It is available at the following websites: www.medef.com and www.afep.com.

BOARD OF DIRECTORS – EXECUTIVE MANAGEMENT – ATTENDANCE AT SHAREHOLDERS' MEETING

Additional information concerning the composition of the corporate bodies and the terms of office, and compensation of corporate officers is provided on pages 84 to124 and is incorporated into this section by reference.

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

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

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

As of 31 December 2014, the Responsible Executives designated by the Board of Directors, within the meaning of banking regulations, were Mr Jean-Paul Chifflet, Chairman of the Board of Directors, and Mr Jean-Yves Hocher, Chief Executive Officer.

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

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

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

The separation of these functions is in accordance with the provisions of article L511-58 of the Monetary and Financial Code, created through administrative order no. 2014-158 of 21 February 2014, which stipulates that the position of Chairman of the Board of Directors of a credit institution may not held by the Chief Executive Officer.

The designation of the Company's Responsible Executives will be reviewed in 2015, in accordance with the provisions of the Monetary and Financial Code.

General presentation and composition of the Board of Directors

Number of Directors

The Company's Articles of Association state that the Board of Directors shall be made up of between 6 and 20 Directors: at least six of these Directors shall be appointed by the Shareholders' Meeting, and two elected by employees.

Number of Directors at 31 December 2014: the Board of Directors is made up of 18 Directors (16 Directors appointed by the Shareholders' Meeting, and two Directors elected by employees).

Terms of office of Directors – staggering of terms

In accordance with article 9 of the Articles of Association, a Director's term of office is three years. The age limit for Directors is 65 (article 10 of the Articles of Association).

However, as an exceptional measure, the term of office of a Director who has reached the age limit may be renewed for a maximum of five subsequent one-year periods, provided the total number of Directors aged 65 or over does not exceed one third of the total number of Directors in office (article 10 of the Articles of Association).

As at 31 December 2014, the expiry dates of Directors' terms of offices were staggered as follows:

Shareholders' Meeting in	2015	2016	2017
Number of directors			
- Directors appointed by the Shareholders' Meeting	5[1]	5[1]	12[2]
- Directors elected by employees	-	-	2

[1] Including two terms of office, where applicable, in accordance with article 10 of the Articles of Association as mentioned above (renewable each year).
[2] Including five terms of office, where applicable, in accordance with article 10 of the Articles of Association as mentioned above (renewable each year).

Composition of the Board of Directors

Changes in the composition of the Board in 2014

- The terms of office of Mssrs Alphandéry, Gasquet and Martin ended at the conclusion of the Shareholders' Meeting of 30 April 2014. Mr Alphandéry was appointed non-voting member as from that date.
- The following appointments were made and helped to strengthen the Board's gender balance:

Director	Date of appointment
Mrs Marie Claire Daveu	Meeting of 30 April 2014
Mrs Fabienne Haas	Meeting of 30 April 2014
Mrs Anne-Laure Noat	Meeting of 30 April 2014

- The terms of office of the following Directors were renewed:

Director	Date of appointment
Mr François Imbault	Meeting of 30 April 2014
Mr Frank Dangeard	Meeting of 30 April 2014
Mrs Nathalie Palladitcheff	Meeting of 30 April 2014
Mr Jean Philippe	Meeting of 30 April 2014
Mr Jean-Louis Roveyaz	Meeting of 30 April 2014
Mr Jean-Pierre Vauzanges	Meeting of 30 April 2014

- Messrs Jean-Frédéric Dreyfus and Marc Kyriacou were appointed as Directors representing employees following an election process held in 2014.

Composition of the Board at 31 December 2014:

18 Directors:

Mssrs	Jean-Paul Chifflet (Président)
	Philippe Brassac
	Frank Dangeard
	Marie-Claire Daveu
	Marc Deschamps
	Jean-Frédéric Dreyfus(*)
Mrs	Fabienne Haas
Mssrs	François Imbault
	Marc Kyriacou(*)
	Michel Mathieu
Mrs	Anne-Laure Noat
Mrs	Nathalie Palladitcheff
Mssrs	Jean-Pierre Paviet
	Jean Philippe
	Jean-Louis Roveyaz
	François Thibault
	Jean-Pierre Vauzanges
	François Veverka

Non-voting member:

Edmond Alphandéry

(*) Directors representing employees.

The average age of the Directors in 2014 was 57.

Independent Directors on the Board (in accordance with the AFEP-MEDEF Code)

In April 2014 and February 2015, the Board of Directors re-examined the list of Directors qualifying as independent, of which there were six at 31 December 2014: Mr Dangeard, Mrs Daveu, Mrs Haas, Mrs Noat, Mrs Palladitcheff and Mr Veverka.

At 31 December 2014, independent Directors (who must make up at least one third of the board for companies whose capital is owned by a majority shareholder; Crédit Agricole S.A. owns more than 97% of the company) accounted for more than one third of the Directors appointed by the Shareholders' Meeting.

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

Table of independent Directors (AFEP/MEDEF criteria):

As at 31 December 2014 (and reviewed on 16 February 2015)	Criterion[1]	Criterion[2]	Criterion[3]	Criterion[4]	Criterion[5]	Criterion[6]	Possibilities [7] (c)
Mr Dangeard	X	X	X	X	X	X	
Mrs Daveu	X	X	X	X	X	X	
Mr Martin	X	X	X	X	X	X	
Mrs Haas	X	X	X	X	X	X	
Mrs Noat	X	X	X	X	X	X	
Mrs Palladitcheff	X	X	X	X	X	X	
Mr Veverka	(*)	X	X	X	X	X	(*) – Criterion 1: Mr Veverka is also: - an independent Director of Crédit Agricole S.A. and Amundi UK Ltd, - A Director of Crédit Lyonnais (LCL)

(1) Is not, and has not been in the last five years, an employee or corporate officer of the company, an employee or director of the parent company or of a company that it consolidates.
(2) Is not a corporate officer of a company in which the company, directly or indirectly, acts as a director or in which an employee designated as such or a corporate officer of the company (currently or in the last five years) is a director.
(3) Is not a major client, supplier, corporate banker or investment banker:
- for the company or its group,
- or for which the company or its group represents a significant portion of the activity.
(4) Has no close family relationship with a corporate officer.
(5) Has not been an auditor of the company within the last five years.
(6) Has not been a director of the company for more than 12 years.
(7) Possibilities:
(a) While the director may be a corporate officer, a Chairman of the Board may be considered independent if the company justifies it on the basis of the aforementioned criteria.
(b) Directors representing major shareholders of the company or its parent company may be considered independent if they do not take part in the control of the company. However, should the shareholder own more than 10% of the capital or voting rights, the Board of Directors, based on a report by the Appointments Committee, must systematically investigate the director's independence, taking into account the company's ownership structure and the existence of a potential conflict of interest.
(c) The Board of Directors may take the view that a director who fulfils the aforementioned criteria should not be deemed independent because of his/her particular situation or that of the company, given the company's ownership structure or for any other reason. Conversely, the Board may take the view that a director who does not fulfil the above criteria is nevertheless independent.

The situation of two independent Directors (Mrs Daveu and Mrs Palladitcheff) was examined as regards the third criterion to the extent that the groups to which they belong (Kering and Icade, respectively) have business relations with Crédit Agricole CIB. The Board considered the share of net banking income generated with these groups relative to Crédit Agricole CIB's overall commercial net banking income. On that basis, the Board determined that these business relations are not of a nature to challenge the independence of these two Directors.

Board diversity

As at 31 December 2014, the Board of Directors had five women members, or 25% of the Directors appointed by the Shareholders' Meeting. Crédit Agricole CIB therefore complies with the recommendation of the AFEP/MEDEF Code, which calls for at least 20% female members. The Appointments Committee will be charged with noting the 2017 target of having women comprise 40% of the Board, as stipulated in the law of 27 January 2011 amended by the law of 4 August 2014 and to propose actions to be implemented in order to achieve this ratio.

One Director, Mr Dangeard, has international experience through functions and board terms exercised at groups or companies abroad (United Kingdom, Norway, Portugal, United States, India, etc.).

Mssrs Dreyfus and Kyriacou were appointed as Directors representing employees in accordance with articles L. 225-27 et seq. of the French Commercial Code. Crédit Agricole Corporate Investment Bank, formerly Banque Indosuez, is a company that appears on the list appended to law no. 86-793 of 2 July 1986 and, in that capacity, is subject to the provisions of article 8-1 of law no. 86-912 of 6 August 1986, which calls for the presence of Directors representing employees on the Board of Directors.

All Directors of the Company are of French nationality.

Change in the Board's composition in 2015:

The 2015 Shareholders' Meeting will be asked to approve the renewal of five Directors' terms that expire at the end of that meeting.

Shares held by Directors

The Directors appointed by the Shareholders' Meeting must own at least one share in accordance with the provisions of the Articles of Association.

Operation of the Board of Directors

Convening and frequency of Board meetings

The Articles of Association state that the Board shall meet as often as the interests of the Company require, at the request of the Chairman or at least one third of the Directors. In 2014, the Board of Directors met five times, in accordance with the agreed timetable.

Powers of the Board of Directors:

The powers of the Board, as defined in article L.225-35 of the French Commercial Code, are set out in the Board's Rules of Procedure. In accordance with the duties given to it by law and taking into account the powers granted to the Executive Management, the Board of Directors defines the Company's strategies and general policies, and approves - on the basis of proposals by the Chief Executive Officer and/or the Deputy Chief Executive Officers, as applicable - the means, structures and plans designed to implement the strategies and general policies it has defined. The Board makes decisions on all matters concerning the governance of the Company referred to it by the Chairman and the Chief Executive Officer as well as on issues concerning fixed and variable compensation submitted by the Compensation Committee. The Board's Rules of Procedure will be reviewed in 2015 in the light of the new provisions of the French Monetary and Financial Code as regards banking sector companies.

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

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

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

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

Procedures for referring matters and submitting information to the Board and for the Board to take action– Conflicts of interest:

In order to enable the Board Secretary to prepare Board of Directors' meetings, a Company internal directive describes the Board's conditions of intervention and referral procedures. This directive thus provides for the conditions under which head office departments and branches must communicate with the Secretary within the framework of the Board meeting schedule, the points that may be added to the draft agendas of the meetings and the required documentary materials (in particular the summary description of transactions; the amounts at stake for the Company and the Group; the advantages and prospects within the framework of the Company's and the Group's strategy, and the text of the proposed resolution). The draft agenda is then sent for approval to the Chairman of the Board of Directors.

The Board of Directors' Rules of Procedure specify the roles of the Board's committees. These rules will be updated in 2015, notably in the light of the new provisions of the French Monetary and Financial Code. The Rules of Procedure refer back to the corporate governance principles and best practices that enhance the quality of the work of the Board of Directors, notably as regards obtaining the information needed for the Directors to deliberate and take action on agenda items, on the confidentiality obligation and on the obligations and recommendations relative to privileged information and conflicts of interest.

Related party agreements: in accordance with articles L. 225-38 et seq. of the French Commercial Code, the Board of Directors authorises related party agreements prior to their signature. The Directors and Managers concerned by the agreement do not take part in the voting. Information relating to the 2014 agreements (new agreements as well as those entered into previously that remained in force during this period) has been sent to the statutory auditors, who will present their special report to the Shareholders' Meeting. This report is provided on page 358 of the shelf-registration document. At its February 2015 meeting, the Board reviewed the related-party agreements entered into previously and still in force in 2014, in accordance with the new effective regulations.

Board of Directors' activities during 2014:

In 2014, the Board of Directors met on 13 February, 30 April, 31 July, 30 October and 11 December.

Documentation was sent to Directors prior to regularly-scheduled meetings. For almost all items on the agenda of the Board meetings, supporting documentation is distributed several days before the meeting.

Meetings dealt mainly with the following subjects:

- annual, interim and quarterly financial statements;
- the interim and annual financial report - management report included in the shelf-registration document - the Chairman's report to the Shareholders' Meeting - social audit;
- reports on work done by the Audit and Risks Committee;
- opinions from the statutory auditors;
- management of risks and exposures: quarterly updates - 2013 annual report on internal control – status reports on compliance and on control of internal compliance – status reports on legal risks – letters from supervisory authorities brought to the attention of the Board of Directors – status report on the US resolution plan involving the activities of Crédit Agricole S.A. in the United States – review of criteria and thresholds used to identify significant incidents detected by internal control procedures – approval of the survey on customer protection rules;

- status reports on the budget, liquidity, monitoring of subsidiaries and changes in planned disposals of subsidiaries or non-strategic investments – presentation of the Crédit Agricole CIB Medium-Term Plan and update on its implementation – status report on activities in France and abroad;
- composition of the Board of Directors and its Committees – composition of Executive Management – operation of the Board of Directors (self-assessment);
- reports on the work of the Compensation Committee;
- compensation policy, including variable compensation principles and budgets for the Company's employees; the report required by the French Prudential Supervisory and Resolution Authority (ACPR) on information relative to compensation policy and practices within the Company; compensation components presented to the Shareholders' Meeting; allocation of Board attendance fees;
- compensation and targets for Executive Management members;
- delegations of authority as regards bond issues;
- approval of a resolution at the request of local authorities as part of formalities;
- presentation of regulatory changes.

Assessment of the Board of Directors' performance

A self-assessment of the performance of the Board of Directors was conducted during the fourth quarter of 2014, based on an individual questionnaire consisting of 41 questions sent to each Director. The questions concerned in particular: the organisation of the Board, its operation, its composition and the quality of relationships within it, the work of the Audit and Risks Committee, the work of the Compensation Committee, and the training of, and submission of information to the Directors.

The responses helped to:

- identify changes since the first self-assessment conducted in 2013, and in particular the progress made following the actions identified in late 2013 as regards increased training for Directors, increasing the number of female Directors on the Board and providing the Board with preparatory materials in a more timely manner;
- highlight several positive points, notably as regards the Board's organisation, responses to requests for additional information expressed by Directors, regular attendance by Directors, the quality of relations between the Board and Executive Management, the work of the Audit and Risks Committee and training provided to Directors on regulatory changes.

The guidelines adopted by the Board of Directors following the self-assessment of its operation are as follows:

- continue to improve training for Directors, in line with the actions initiated over the past two years;
- increase the number of strategic presentations;
- share ideas on how to optimise the presentations of the various participants in order to leave more time for discussions;
- review the composition of Committees in connection with the implementation of new regulatory provisions applicable to banking sector companies.

The members of the Board of Directors had a more than 94% attendance rate at meetings in 2014.

The proposed appointments of corporate officers in 2014 were consistent with a deliberate approach to strengthen gender balance on the Board.

Mr Alphandéry, formerly a Director, was appointed to a term as a non-voting member by the Board at its 30 April 2014 meeting. This non-voting position enables the Board and the Audit and Risks Committee, in which he participates as a guest, to benefit from his French and international experience, notably as regards the current political and regulatory environment. This appointment was made for a period of three years as defined in the Articles of Association.

Training for Directors

A procedure defined in 2013 to welcome new Directors includes the delivery to any new Director of a welcome booklet, which presents key documents relating to the governance of the Company's corporate bodies, the Company's strategy and budget, the shelf-registration document and the activity report for the previous year. When a Director first joins the Board, meetings are also organised between the new Director and each member of Executive Management, the Head of Risks and Permanent Control, the CFO and the Head of Compliance.

In addition to the programme established for the benefit of new Directors, training measures for all Directors were implemented in 2014. A March 2014 seminar for Directors provided an opportunity to illustrate the expectations of the Bank's clients by meeting the Chairmen of the two main client groups of Crédit Agricole CIB and to gain a deeper understanding of the capital markets activities. A training session on the regulatory changes and outlook was held in October 2014.

Specialised committees of the Board of Directors and Compensation principles and rules

When preparing its Rules of Procedure in 2002, the Board of Directors established an Audit Committee (which became the Audit and Risks Committee) and a Compensation Committee, and outlined their composition, operating procedures and duties in those Rules of Procedure.

The members of these committees are appointed by the Board of Directors in accordance with its Rules of Procedure.

Following administrative order no. 2014-158 of 20 February 2014 and the implementation decree of 3 November 2014 on internal control of banking sector companies, the Board of Directors at its February 2015 meeting approved the creation of an Appointments Committee. The creation of a Risks Committee separate from the Audit Committee will be proposed to the Board for approval at the April 2015 meeting.

Compensation Committee

■ General Presentation and Composition of the Compensation Committee

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

The Committee met five times in 2014.

Responsibilities of the Compensation Committee in 2014

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

Its recommendations concerned:

- the ordinary and special compensation as provided for in the Articles of Association that is paid to the members of the Board of Directors and its Chairman, as well as the compensation, benefits in kind and pecuniary rights granted to the Chief Executive Officer and the Deputy Chief Executive Officers. Its responsibilities include the compensation components for corporate officers mentioned in the management report;
- the principles concerning variable compensation of the Company's employees (composition, calculation basis, type and payment date) and the total budget allocated for this compensation.

As part of its duties, the Committee must also:

- examine the allocation of the variable compensation budget at the individual level for the largest amounts;
- report to the Board of Directors its annual review of compensation policy, as well as the verification of its compliance with regulations applicable to credit institutions and its consistency with the applicable professional standards.

Composition of the Compensation Committee

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

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

► Composition of the Compensation Committee at 31 December 2014:

- This Committee, whose composition was reviewed in 2014, consists in four members appointed from the Board of Directors:
- Mr Jean-Paul Chifflet, Chairman, appointed 23 February 2010;
- Mr Frank Dangeard, independent Director, appointed 14 January 2010;
- Mrs Fabienne Haas, independent Director, as from 30 April 2014;
- Mr Jean-Louis Roveyaz, appointed 24 August 2010.

Didier Martin was a member of this Committee until 30 April 2014.

This Committee, chaired by the Chairman of the Board of Directors, comprises four Directors, two of whom have the status of independent Directors.

The Compensation Committee's duties fall within the framework of the Group's compensation policy. With the objective of harmonising Crédit Agricole S.A.'s compensation policies, the Group Human Resources Director is invited to the meetings of the Compensation Committee. Indeed, overall monitoring of the compensation policy applicable to all entities of the Crédit Agricole S.A. group has been carried out within Crédit Agricole S.A. since 2010. This monitoring, presented to the Board of Directors of Crédit Agricole S.A., includes the proposed principles for determining variable compensation budgets, examining the impact of risks and capital requirements inherent to the activities concerned, and an annual review, by the Compensation Committee of the Board of Crédit Agricole S.A., of the compliance with regulatory and industry standards on compensation.

► Changes in the composition of the Committee in 2015:

The composition of the Compensation Committee was reviewed at the meeting of the Board of Directors in February 2015. Mr Jean-Frédéric Dreyfus, a Director representing employees, was appointed to the Compensation Committee.

■ Compensation Committee actions in 2014

The Compensation Committee met on 11 February, 28 April, 18 July, 29 October and 8 December 2014. The attendance rate for this Committee's meetings was 90% in 2014.

These meetings focused primarily on the following matters:

- principles concerning variable compensation for Company employees in respect of the 2013 financial year, including the total amount of the budget and deferred compensation systems – review of performance conditions for the 2010, 2011, 2012 and 2013 deferred compensation plans;
- components of corporate officers' compensation, including the setting of the 2014 targets;
- the part of the management report that deals with compensation of corporate officers for the 2013 financial year;

- employee compensation and review of the report required by the French Prudential Supervisory and Resolution Authority (ACPR) and presenting the information related to compensation policy and practices at the Company – review of scope of employees whose professional activities have a significant impact on the Company's risk exposure – review of the allocation of the compensation budget at the individual level for the largest amounts;
- changes in fixed compensation for Company employees in 2014;
- impacts related to the application of new regulatory provisions governing banking sector companies;
- draft resolutions to be presented to the Shareholders' Meeting held in 2014 as regards compensation;
- proposed changes to the allocation of attendance fees.

■ Presentation of compensation principles and rules

Information on the compensation policy:

- General principles;
- Principles applicable to the compensation of executives and corporate officers and employees whose activity has an impact on a credit institution's risks and risk management;
- Governance of compensation within the Crédit Agricole S.A. Group;
- Compensation components of each corporate officer of the Company, including amounts due or allocated in respect of the financial year 2014;
- Principles on the allocation of attendance fees and amounts of attendance fees allocated for 2014 to the members of the Board of Directors

were grouped in a specific section entitled "Compensation Policy" on page 100 to 124 of this document.

Audit and Risks Committee

■ General presentation of the Audit and Risks Committee

Pursuant to the Rules of Procedure, the Committee meets as often as it is necessary and at least once every quarter. Meetings shall be convened by the Committee Chairman or by the Chairman of the Board of Directors. In 2014, the Committee met six times at regularly-scheduled meetings.

Responsibilities of the Audit and Risks Committee in 2014:

The role of the Audit and Risks Committee, established in accordance with CRBF Regulation 97-02, is defined in the Rules of Procedure.

This Committee has the task of examining and monitoring the internal control and risk management system, to monitor any fraud or other event detected by internal control procedures in accordance with the criteria and significance thresholds defined by the Board, to monitor the work performed by the statutory auditors and internal control teams, to monitor the process for preparing financial information, to assess the relevance of the accounting methods, to examine drafts of annual and interim parent-company and consolidated financial statements, to advise on the renewal or appointment of the statutory auditors and to examine any questions of a financial or accounting nature referred to it by the Chairman of the Board of Directors or the CEO. It can make recommendations on these matters and can also instruct the Chief Executive Officer to organise internal or independent audits, after informing the Chairman of the Board of Directors. The Chairman of the Committee has the task of presenting summaries of the Committee's work to the Board of Directors.

Composition of the Audit and Risks Committee in 2014:

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

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

► Changes in the composition of the Committee in 2014

The appointment of Mrs Noat to the Audit and Risks Committee was approved by the Board at its 30 April 2014 meeting.

► Composition of the Committee at 31 December 2014

The Committee, whose composition was reviewed in 2014, comprises five members, including three independent Directors.

- Mr François Veverka, independent Director appointed 13 May 2009 and Chairman of the Committee as from 11 May 2010;
- Mr Marc Deschamps, appointed 5 November 2013;
- Mrs Anne-Laure Noat, independent Director, appointed 30 April 2014;
- Mrs Nathalie Palladitcheff, independent Director, appointed 17 October 2013;
- Mr Jean Philippe, appointed 14 May 2008.

■ Activity and operation of the Audit and Risks Committee in 2014

The Audit and Risks Committee convened at the regularly scheduled meetings of 12 February, 14 April, 29 April, 30 July, 29 October and 10 December 2014. The attendance rate for Committee meetings was 100 % in 2014.

Prior to their presentation to the Board of Directors, the Committee reviewed the annual, interim and quarterly consolidated financial statements as well as the reports prepared for the 2013 financial year: the reports on internal control and on risk measurement and supervision, which are presented to the French Prudential Supervisory and Resolution Authority.

The following topics were also placed on the Committee's agenda:

- 2015 budget;
- update on the Crédit Agricole CIB Medium-Term Plan;
- status report on liquidity;
- interim report on internal control;
- presentation of the 2015 Periodic control programme;

- review of criteria and thresholds used to define significant incidents detected by the internal control procedures;
- status reports on the subsidiaries;
- status reports on activities and business lines in France and abroad;
- status report on the asset quality review (review conducted by the European banking supervision authority);
- update on the US Resolution Plan of Crédit Agricole S.A.;
- status report on the duties of the statutory auditors;

as well as regular updates on internal control and risks related to:

- periodic control assignments and their summary reports, follow-up of recommendations;
- risk management and the major exposures;
- compliance;
- major legal issues.

The interim and annual financial reports, as well as the report of the Chairman of the Board of Directors to the Shareholders' Meeting of April 2014 were submitted to the Committee prior to Board meetings.

The statutory auditors presented to the Committee the results of their financial statements review work.

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

Between meetings, the Chairman of the Audit and Risks Committee also carried out the Committee's responsibilities through a total of 18 meetings with: members of Executive Management (two meetings); the principal heads of financial management (five meetings); the head of Risk Management (three meetings); the head of General Inspection (three meetings); the head of the Capital markets department (one meeting); and the statutory auditors (four meetings).

The Chairman of the Committee reported on the work of each Committee meeting to the Board of Directors.

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

Changes in connection with the implementation of provisions related to banking sector companies

The creation of a Risks Committee separate from the Audit Committee will be presented to the Board of Directors for approval at its April 2015 meeting.

Appointments' Committee

The Board of Directors meeting of 16 February 2015 approved the creation of an Appointments' Committee.

Since that date, this Committee has been made up of three members:

- Mrs Marie-Claire Daveu, independent Director and Chairman of the Committee,
- Mr Frank Dangeard, independent Director,
- Mr Jean-Louis Roveyaz.

The Committee's functions are specified by the French Monetary and Financial Code. In particular, the Committee will make recommendations as regards the selection of Directors and gender balance on the Board of Directors and will ensure the Directors possess diverse knowledge, skills and experience. It will also assess the composition and effectiveness of the Board.

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

Composition of Executive Management at 31 December 2014

Mr Jean-Yves Hocher has been Chief Executive Officer since 1 December 2010. At 31 December 2014, the Deputy CEOs were Mssrs Paul de Leusse, Régis Monfront and Jacques Prost.

Limits placed on the powers of the Chief Executive Officer

The limits placed on the powers of the Chief Executive Officer are specified below as well as in the presentation of the powers of the Board of Directors on page 63.

The Board of Directors' Rules of Procedure stipulate that, in the performance of his duties, the Chief Executive Officer is required to comply with the internal control rules that apply within the Crédit Agricole Group and the strategies defined and decisions taken, which under the law or according to the aforementioned rules are the responsibility of the Board of Directors or the Shareholders' Meeting.

These Rules of Procedure also stipulate that the Chief Executive Officer is required to refer all significant projects concerning the Company's strategic decisions, or that may affect or alter its financial structure or scope of activity, to the Board of Directors, requesting instructions. In addition, as mentioned in the "Powers of the Board of Directors" section on page 63 as a purely internal limitation that is not binding on third parties, the Chief Executive Officer is required to obtain prior authorisation from the Board of Directors or its Chairman before entering into certain types of transactions.

Procedures for shareholders to participate in the Shareholders' meeting

The procedures for participating in Shareholders' Meetings are set out in section V of the Company's Articles of Association. The composition, operating procedures and main powers of the Shareholders' Meeting, the description of shareholders' rights and the procedures for exercising these rights are set out in "Article 19 - Composition and Nature of Meetings", "Article 20 - Meetings", "Article 21 - Ordinary Shareholders' Meeting" and "Article 22 - Extraordinary Shareholders' Meeting".

"SECTION V – Shareholders' Meetings

ART. 19 – Composition – Nature of meetings

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

Duly constituted Shareholders' Meetings represent all shareholders.

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

A Shareholders' Meeting is deemed extraordinary if any decisions relate to a change in the Articles of Association. All other meetings are deemed ordinary.

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

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

ART. 20 – Meetings

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

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

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

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

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

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

ART. 21 – Ordinary Shareholders' Meeting

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

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

The Ordinary Shareholders' Meeting takes note of the reports by the Board of Directors and the statutory auditors.

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

It appoints the statutory auditors.

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

Other Ordinary Shareholders' Meeting may be held in addition to the annual meeting.

ART. 22 – Extraordinary Shareholders' Meeting

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

The Extraordinary Shareholders' Meeting may make any changes to the Articles of Association."

Capital structure of the company

At 31 December 2014, the Company's share capital consisted of 268,687,973 ordinary shares with a par value of €27 each, giving share capital of €7,254,575,271. The shares are more than 97%-owned by Crédit Agricole S.A. and more than 99%-owned by the Crédit Agricole Group.

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

Summary table of June 2013 AFEP-MEDEF Code recommendations which have not been adopted and justifications

At 31 December 2014	
Background: - The Company is more than 99%-owned by Crédit Agricole Group (Crédit Agricole S.A. owns more than 97% of the Company's shares); - The Company's governance is therefore in line with that of the Crédit Agricole Group. The composition of the Board and its Committees reflects the corporate governance system, under which Board positions at certain Group subsidiaries are assigned to the Chairmen or General Directors of the regional branches of Crédit Agricole Group.	
AFEP – MEDEF Code recommendations	**Comments**
17. Committee responsible for selection or appointments: • Creation of a Committee (separate or not from the Compensation Committee) and composition, • Powers: selection of new Directors and succession of executives and corporate officers	In 2014, the Board did not have an Appointments Committee: • the proposed appointments of corporate officers resulted mainly from a selection process administered at the Crédit Agricole Group level; • the proposed appointments were then submitted to the Board of Directors of Crédit Agricole CIB. - The creation of an Appointments Committee was approved by the Board at its February 2015 meeting - This Committee comprises three Directors, including two independent Directors. It is chaired by an independent Director.
18.1. Composition of the Compensation Committee: • no executives and corporate officers, • a majority of the members are independent Directors as is the Chairman, • it is recommended that a Director representing employees be a member of the Committee	Governance of compensation policy for Crédit Agricole S.A. Group entities is exercised within Crédit Agricole S.A.: • The Crédit Agricole S.A. Compensation Committee prepares recommendations and opinions which are submitted to the Board of Directors of Crédit Agricole S.A. on the compensation policy for employees and executives and corporate officers of Crédit Agricole S.A. Group; • policy is then replicated at the Company and submitted to the Board of Directors of Crédit Agricole CIB, on the recommendation of its Compensation Committee; • The Crédit Agricole S.A. Compensation Committee is responsible for monitoring the implementation of this policy at the Group's entities. In that regard, the Compensation Committee of Crédit Agricole CIB: • is chaired by the Chairman of the Board of Directors, who is also the Chief Executive Officer of Crédit Agricole S.A.; • comprises three other members: two independent Directors and one Chairman of a regional bank, who is also a Director of Crédit Agricole S.A. This composition thus reflects the governance within the Group. A Director representing employees was appointed to the Compensation Committee by the Board at its February 2015 meeting.
Code recommendations: **14. Share ownership by Directors** **20. Share ownership by Directors** ….the director must personally be a shareholder and own a relatively large number of shares …	The Company's Articles of Association require Directors to own one share of the Company (this obligation applies to Directors appointed by shareholders in the Shareholders' Meeting). The Company's shares are not offered to the public and are not listed for trading on a regulated market.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Definition of the internal control system

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

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

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

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

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

Reference documents relating to internal control

Laws and regulations

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

- the French Monetary and Financial Code,
- the decree of 3 November 2014, relating to the internal control of banks, payment services companies and investment companies, submitted to the French Prudential Supervisory and Resolution Authority (ACPR)
- all texts relating to the conduct of banking and financial activities (collated by the Banque de France and the C.C.L.R.F.),
- the Autorité des Marchés Financiers' General Regulation.

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

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

Main internal reference documents

The main internal reference documents are:

- Procedural Memo 2006-11 on "the organisation of internal control within the Crédit Agricole S.A. Group",
- Procedural Memos dealing with the Crédit Agricole S.A. Group's Risk Management and Permanent Controls,
- documents circulated by Crédit Agricole S.A., relating to subjects including accounting (Crédit Agricole chart of accounts), financial management, risk management and permanent controls,
- the Crédit Agricole Group's Code of Conduct,
- a corpus of texts about governance, published on Crédit Agricole CIB "Corporate Secretary" Intranet database, about notably compliance, risks and permanent control and more precisely texts referenced in the permanent control chapter (texts 4.0 on the organisation of internal control in the Crédit Agricole CIB Group, 4.4 Organisation and governance of the permanent controls of Crédit Agricole CIB, the text 1.5.1 on the supervision of major services that are outsources), the Crédit Agricole CIB compliance manuals, and the procedures of the different divisions of Crédit Agricole CIB, of its subsidiaries and branches.

Organisation of the internal control system

Basic principles

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

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

These principles are supplemented by:

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

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

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

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

Monitoring of the system

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

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

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

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

The Committee met four times in 2014.

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

In addition, a top-level Permanent Control Committee has been established. Chaired by the Chief Executive Officer or, in his absence, one of the Deputy Chief Executive Officers, this committee is responsible for:

- supervising the operation of the Permanent Control system and operational risk management of the Crédit Agricole CIB Group,
- investigating all matters related to this assignment, either for informational or decision-making purposes,
- resolving any discrepancies or interpretations relating to the Permanent Control system.

This Committee comprises in particular the Head of Risk Management and Permanent Control (RPC), the Head of Permanent Control, Operational Risks and Corporate Secretariat, the Head of Global Compliance, the Head of Legal, Head of Group Internal Audit and the Head of Control of Internal Compliance of the Corporate Secretariat and the Board of Directors.

The Head of Group Risk Management (DRG) – Operational Risk and Permanent Control at Crédit Agricole S.A. may sit in on all meetings.

This committee met four times in 2014.

In addition to the permanent control committees established at the head office departments, local committees have been established in the subsidiaries and branches in France and abroad. They meet monthly (except for months in which an Internal Control Committee meeting is held), either in person or electronically.

Role of the supervisory body: Board of Directors

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

Within the Board of Directors, the Audit and Risks Committee has the task of examining and monitoring the internal control and risk management system and taking note of the work of the heads

of internal control and risk management system and taking note of the work of the heads of internal control and to monitor any event of fraud, or any other event whether or not detected by internal control procedures in accordance with the criteria and significance thresholds defined by the Board (the description of the Audit and Risks Committee's responsibilities is detailed on page 66: Responsibilities of the Audit and Risks Committee).

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

- a report on the conditions under which internal control is carried out,
- a status report on risk: management and exposures.

These annual reports relative to 2014 will be presented to the Audit and Risks Committee and to the Board of Directors' meeting in April 2015. The half-yearly report on internal control at 30 June 2014 was examined by the 29 October 2014.

The quarterly presentations on the situation of risks (risk management and major exposures in the 4th quarter 2013 and first three quarters of 2014) were brought to the agenda of meetings of the Board of Directors on 13 February, 30 April, 31 July and 30 October 2014. The presentation of the fourth quarter 2014 will be made to the Board in February 2015 (see page 63 Activity of the Board of Directors in 2014 and page 66 Activities and functioning of the Audit and Risks Committee in 2014).

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

The 2013 report to AMF of the Head of Compliance for Investment Services (RCSI) has been presented to the Board in April 2014. The questionnaire about the respect of the rules of customer's protection was submitted to the Board on 31 July 2014.

Role of the executive body: Executive Management

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

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

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

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

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

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

It is informed of the main problems identified by internal control procedures and the remedial measures proposed notably by the Internal Control Committee.

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

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

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

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

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

General presentation

Detailed information on credit, market, operational and liquidity risk management is provided in the "Risk factors and Pillar 3" section and in the notes to the consolidated financial statements.

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

Permanent control is carried out as follows:

- first-degree permanent controls are carried out when a transaction is initiated and while the transaction is being validated. They are carried out by the operators themselves, by the hierarchy within the unit or by automated transaction processing systems;
- second-degree, first-level permanent controls are carried out by employees who are separate from those that initiated the transactions and who may perform operational activities;
- second-degree, second-level permanent controls are carried out by staff working exclusively at the final level of specialist permanent control with no authorisation to make commitments involving the taking of risk (credit or market risk control, accounting control, compliance control etc.). Crédit Agricole CIB benefits from an alternative regime from Crédit Agricole S.A. on the second-degree, second-level permanent controls' organisation (Head Office's permanent controllers functionally report to the Risks and Permanent Control Direction.

The periodic (third-degree) controls cover occasional onsite audits of accounting records relating to all of the company's activities

and functions by Group Internal Audit.

The system of permanent controls is based on a platform of operational controls and specialised controls. Within the departments at the head office, the branches and the subsidiaries, procedural manuals describe the controls to be performed and the related operational permanent controls.

The controls, which may be integrated into the automated transaction processing systems, are catalogued and updated, largely on the basis of the operational risk map.

The results of the controls are formalised through control records, notably within the SCOPE Group IT system, and are included in periodic summary reports to the appropriate management level (in the branch network and at the head office) and, in a consolidated manner, to the Head of Permanent Control and the top-level Permanent Control Committee.

This system is continuously updated. It must cover the entities of the internal control scope along with changes related to the activity, the organisation and the IT system. In that regard, careful attention is paid to maintaining the quality of operations and a suitable internal control system.

For 2015, in addition to taking into account the regular changes in the consolidated system, which emanates from Crédit Agricole Group, the Crédit Agricole CIB internal system will also be reviewed in order to take into account the operational risk map work performed in 2014.

Detailed presentation

■ First-degree controls

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

They also apply within support functions.

This first-degree control is given to the local head of the entity, while the head of the business line is responsible at central level.

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

■ Second-degree, first-level controls

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

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

■ Second-degree, second-level controls

These controls are carried out centrally by specialised divisions:

Risk and Permanent Control division

► Role and responsibilities relating to the risk management

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

The purpose of this division is to control counterparty risks, country risks, market risks, as well as operational and accounting risks. However, structural financial risks are managed by the Finance Department, legal risks by the Legal Department, the compliance risks by Global Compliance (see page 78).

In October 2014, the management of risks related to information system and organisation plans business continuity has been transferred to the Corporate Support International Department (see page 80).

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

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

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

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

Crédit Agricole CIB Head of Risk management and permanent controls reports hierarchically to the Crédit Agricole S.A.'s head of Group Risk Management and functionally to Crédit Agricole CIB Executive Management. He is part of the bank's executive committee (Comex). The Head of Risk Management and Permanent Control is responsible for the risks sector and permanent controls within the meaning of the decree of 3 November 2014, relating to the internal control of banks, payment services companies and investment companies, submitted to the French Prudential Supervisory and Resolution Authority (ACPR).

Within Crédit Agricole CIB, RPC is organised as an independent global business line. It combines all head office risk functions and activities, as well as local and regional officers in the international network. At 31 December 2014, RPC had a worldwide staff of 1,021.5 people (internal full-time equivalents, including subsidiaries and activities of the Private Banking). It should be highlighted that the exit of Newedge in the first half 2014 notably explains the downsize of headcounts.

Crédit Agricole CIB has implemented a set of procedures that determines risk monitoring, risk control and permanent control arrangements. The set of procedures is updated regularly to improve risk measurement and supervision and to take into account the evolution of the regulatory context.

► Governance

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

Activities are managed by the Strategy and Portfolio Committee (CSP). It is in charge of the adequacy of the bank's strategic orientations with its capacity to take risks and define guidelines. Then, they are declined in specific risks strategies which set limits

to each significant perimeter (country, business line, sector). The CSP also works on alert and Business Watch topics.

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

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

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

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

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

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

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

▶ Risk master plan

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

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

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

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

The work carried out so far has made it possible to achieve the targets initially established leading to a risk management department therefore working in a more cross-divisional manner. The procedures for controlling and monitoring market and counterparty risk in market transactions as well as the risk related to the rogue trading risk prevention have also been strengthened.

The main strategic focus of the master plan will currently be on the:

- BMA (Global Basis of Authorisation) project aimed at streamlining the IT system and the procedures for permissions management,
- the regulatory requirements of Basel III regarding the liquidity and counterparty risk of market transactions (EPE-CVA project, Desk CVA and VaR CVA),
- the requirements in terms of reporting and risk systems aggregation capacity, as described by the BCBS 239 text released by the EBA in January 2013. This program will also integrate the conclusions of the "Asset Quality Review" and EBA stress tests conducted in 2014 (Quartz programme).

▶ Marly Programme

The operational risk management programme gets regular backup from the Marly programme, launched in September 2007. It is a long-term programme aiming at improving in the way in which the operational risks arising from the bank's market transactions are controlled. In particular it incorporates the recommendations of the Lagarde report. The work that has been undertaken is aimed at better identifying unusual or fraudulent activity by strengthening the system of controls. In 2014, the last projects were finalized: the strengthening of the controls on internal transactions is over, the work on the strengthening of IT security of the most sensitive zones has been finalized at the end of the year. Last actions of deployment of the programme in the entities abroad not yet covered are in progress. The programme has been included in the governance structure of Crédit Agricole CIB by means of a steering committee chaired by a member of the General Management and which has members from both the market front offices and all support functions.

This programme integrates the bi-annual revision of the auto-evaluation questionnaire coming from ACPR; the latter has 184 questions organised into 32 themes (questions of previous SSG / IIF / CRMPG III reports, etc.), Crédit Agricole CIB being involved in only 107 questions. By the end of December 2014, Crédit Agricole CIB's system appeared "fully compliant" for the entire 107 questions.

Furthermore, Crédit Agricole CIB also participated in 2014 in a self-assessment questionnaire, quoted from the Basel Committee's best practices in terms of operational risks (Principles for the Sound Management of Operational Risk).

▶ Counterparty risks

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

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

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

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

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

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

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

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

The rating of certain counterparties under review may be adjusted at this time.

Sensitive cases and major risks are monitored every quarter. Other risks are reviewed on an annual basis.

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

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

► Country risks

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

► Market risks

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

- the New Activity or New Product Committees, organised by the business line allows the Market Risk teams, among others, to pre-approve business development;
- the Market Risks Committee (CRM), which met twice a month, co-ordinates the whole market risk management system and approves market risk limitations;
- the Liquidity Risks Committee (CRL) ensure the implementation of the Group standards in terms of Liquidity Risks at the operational level.
- the Pricers Validation Committee presents a summary of the pricers which were validated during the year.

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

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

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

In 2014, projects have been conducted notably on the following regulatory subjects : CRD4 – Prudent Valuation – AVA (Additional Valuation Adjustment), the French Banking Law and the Volcker Rule (separation of speculative activities).

► Operational risks

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

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

Since the end of 2013, in addition to real losses, the operational risks' scorecard methodology takes into account the provisions (notably legal).

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

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

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

In 2014, work has been conducted in order to homogeneize the maps realized by Crédit Agricole CIB and to present a global consolidated view. In 2015, a rationalization of the IT system related to the operational losses collect and significant incidents' statement is planned.

► Outsourced Essential Services ("PSEE")

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

In addition, a review of all essential services including a report on service quality (i.e. analysis of the main incidents and dysfunctionings) and contract compliance is presented to the lead Permanent Control Committee.

► Permanent control of accounting and financing information

The objectives of the permanent control of accounting and financing information aim at ensuring the adequate coverage of

major accounting risks which could affect the quality of accounting and financing information. Crédit Agricole CIB applied the Crédit Agricole Group's recommendations in this area.

Thus, the Permanent Accounting Control of the Risk Department ensures the permanent control of the last level of accounting and financing information (Second-degree, second-level controls). In this regard it has the following tasks:

- the production, in the Group's tool, of the accounting control indicators (2.2 degree and 2.2.C degree on a consolidated basis);
- the production of the 2.2 degree control indicators of the accounting outsourced Essential Services ensured by Crédit Agricole CIB for the other entities of Crédit Agricole Group;
- the development of an Accounting and Financial Information Scoreboard for Crédit Agricole CIB completed for the year ended 31 December of the previous year, making it possible to assess the proper functioning of the accounting control device of the published Financial Information. The Permanent Accounting Control ensures the implementation of action plans if needed. This Scoreboard is presented to Crédit Agricole CIB Executive Management within the framework of its lead Permanent Control Committee. Accounting control indicators and their evolutions are presented, at least twice a year before this same Committee;
- monitoring of 1 and 2.1 degree controls which are monthly passed on by the ISIS network's entities; the Permanent Accounting Control of RPC is addressed to the synthesis, made from head offices, of these controls;
- punctual controls of all information of the Permanent Accounting Control and of all publishable accounting and financial information;
- thematic on-the-spot controls: an annual control plan is defined. This plan is validated during a lead Permanent Control Committee. The summary and conclusions of these thematic controls are presented each year during the June and December Permanent Control Committees.

In 2014, the two monitoring missions realized covered:
1-the unactive accounts of Crédit Agricole CIB France,

2-the accounting control of the Crédit Agricole S.A.'s outsourced Essential Services.

▶ Regulatory capital requirements

Within the framework of Basel II regulations, Crédit Agricole CIB uses an approach based on internal models approved by the French Prudential Supervisory Authority (ACPR, or "Autorité de Contrôle Prudentiel et de Résolution") for calculating capital requirements with respect to credit and market risks as well as operational risk.

These patterns are part of the risk management device of Crédit Agricole CIB, they are monitored and reviewed on a regular basis to ensure their effective performance and use.

As regards credit risk, the Corporate model has been validated by the French prudential supervisory authority (ACPR) in June 2014 and implemented in "Anadéfi" rating tool in October 2014. Furthermore, all the PD and LGD models have been subject to backtesting. A summary of this work has been presented during Crédit Agricole S.A. Standards and Methodology Committees (June/December 2014) and during the Bank Executive Committee in July 2014. Lastly, certain credit models are due to be presented to the ECB in 2015. The aim of these changes and the new models is to ensure tighter management of our risk. A Basel II data quality committee is in charge of carrying out regular inspections to ensure the requirements of Basel II are being carried out correctly.

As regards the new capital requirement regulations in relation to counterparty risk in market transactions contained in CRD4/CRR1, they have been implemented in 2013 within the framework of the EPE/CVA project. At the end of May 2014, ACPR has authorized Crédit Agricole CIB to use its internal risk model on market transactions for calculating capital requirements. This authorization covers the use of the Internal Model Method for calculating the counterparty risk and of the Advanced Method for calculating the credit value adjustment risk (CVA) on the main part of the calculation scope.

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

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

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

In accordance with the Group's current rules, roles and organization principles of the Finance Directio's functions are described in a directive.

Within the Finance Division of Crédit Agricole CIB, Group Financial Control is in charge of drawing up the financial statements (the individual accounts of Crédit Agricole CIB, the consolidated financial statements for the Crédit Agricole CIB group, and regulatory statements for the company and for the group). The department is also responsible for giving Crédit Agricole S.A. all the data needed to prepare the consolidated accounts of the Crédit Agricole Group.

The Finance Divisions of the entities that fall within the scope of consolidation are responsible for drawing up their own financial statements by local and international standards. They operate within the framework of the instructions and controls of the Head Office's Finance Department.

▶ Procedures for the preparation and processing of financial information

The organisation of IT procedures and systems used for the preparation and processing of accounting and financial information is provided in procedure manuals and in an accounting risks mapping updated annually.

Finance Division also oversees the consistency of the architecture of the financial and accounting information systems and ensures the monitoring of the major projects in which they are involved (accounting, regulatory, prudential, liquidity). Following the works jointly conducted with the Risk Department within the framework of the Asset Quality Review, reflections were initiated in order to improve the accounting and financial information systems in accordance to risks sytems evolutions.

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

▶ Accounting data

Crédit Agricole CIB closes its accounts monthly. Parent-company and consolidated financial statements are established using the Crédit Agricole Group's accounting standards, which are circulated by Crédit Agricole S.A.'s Accounting and Consolidation department. The accounting treatment of complex instruments

and transactions undergoes prior analysis by the Accounting Standards unit of Crédit Agricole CIB's Finance Department.

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

▶ Management data

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

Each entity reconciles the main items of its management results with the intermediate income statement balances produced from accounting data. Group Financial Control checks that the sum of business-line results equals the sum of entity results, which must in turn be equal to the Crédit Agricole CIB Group's consolidated results. This check is made easier by the fact that the analytical unit (profit centre) is integrated within the entities' accounting information system.

Management data are prepared using calculation methods that ensure they are comparable over time. When published data are not extracted directly from accounting information, the sources and definition of calculation methods are generally mentioned to facilitate understanding. it complies with the management standards established by the executive body and the calculations are reliable.

▶ Description of the accounting and financial information permanent control system within the Finance Division

The Finance Division ensures the 2.1 degree's supervision of the accounting and financial information permanent control system worldwide. To do so, a dedicated permanent control team independent from the financial statements' production teams is made up.

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

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

To meet these objectives, the Finance Department:

- has deployed the accounting key indicators defined by Crédit Agricole S.A. homogeneously in all accounting departments of Crédit Agricole CIB Head offices, branches and subsidiaries,
- consults all the Group's branches and subsidiaries twice a year through a questionnaire of accounting certification by which all the Financial Directors commit themselves on the respect of accounting standards and internal control principles of the Group,
- realizes on-the-spot controls following a control plan validated by Internal Control Committee and jointly with the Risks' Department Committee.
- annually reviews the mapping of accounting risks.

The conclusions of their work as well as the proactive monitoring of recommendations issued by the regulator and internal audit enable the Permanent Control to define any remedial measures needed to strengthen, as necessary, the system for preparing and processing accounting and financial information.

All of these elements are presented on a quarterly basis in Internal Control Committee of the Finance Department.

The permanent control of accounting and financial information also applies to the information produced by Crédit Agricole CIB on behalf of Group entities.

▶ Relations with the statutory auditors

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

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

As part of their statutory assignment, the statutory auditors submit the conclusions of their work to the Audit and Risks Committee and to Crédit Agricole CIB's Board of Directors. They also point out the significant weaknesses of the internal control concerning the procedures relating to the production and treatment of the accounting and financial information.

Fees paid to Statutory Auditors are annually assessed during an Audit Committee, without them.

▶ Financial communication

Crédit Agricole CIB contributes to Crédit Agricole S.A. Financial communication's reports published for shareholders, investors, analysts or rating agencies. Financial and accounting information of CIB activities in those reports is established by the Financial Communication department of the Finance Department. It is consistent with that used internally and that validated by the statutory auditors and presented to the legislative bodies of Crédit Agricole CIB.

▶ Global interest-rate risk

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

The main advances made during 2014 are the following:

- the implementation of Crédit Agricole S.A. standards for the basis risk measure, annually released, has been initiated by Crédit Agricole CIB;
- in accordance with the Risks Department, the model of revised rate for Private Banking has been deployed in the concerned entities;

- within the framework of the annual revision of the Group's risk strategy, RTIG limits have been reconducted the November 2014 Group Risk Committee;
- within the framework of the European Banks' Asset Quality Review, EBA stress tests have been conducted on Crédit Agricole CIB's Banking Book.

▶ Liquidity risk

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

Liquidity risk is managed by using the following management indicators:

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

The transformation gap and the stressed gaps have been subject to a methodology's review.

The liquidity platform project, which was launched by Crédit Agricole CIB in April 2012, in connection with the project of Crédit Agricole Group aims at calculating the Basel III liquidity ratios as well as Internal Liquidity Model indicators on the Liquidity scope. Work on tool improvement will continue in 2015.

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

Global Compliance department

▶ Role and responsibilities in the management of the risks of non-compliance

The monitoring of the risks of non-compliance in Crédit Agricole CIB is provided by the "Global Compliance" (CPL) department. CPL's mission is to contribute to the respect of compliance in the activities and operations of the Bank and of its employees with the legislative provisions and regulations and all internal and external rules applicable to the activities of Crédit Agricole CIB in banking and financial matters, or which may result in criminal penalties, penalties from the regulators, disputes with customers or, more broadly, in a reputational risk.

The compliance shall be understood as a set of rules and initiatives that aims to:

- protect Crédit Agricole CIB against any external actions potentially harmful or unlawful: fight against fraud and corruption, but also prevention of money laundering, fight against terrorism financing, obligations in the fields of assets freeze and embargoes, etc.
- protect the Bank's reputation towards the markets as well as its customers' interests against violations of internal ethical standards and failures to meet professional obligations to which Crédit Agricole CIB and its employees are submitted (insider dealing, price manipulation, propagation of false information, conflict of interest, failure to advise, etc.) but also against internal or joint fraud and internal corruption.

For this purpose, CPL:

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

The non-compliance risks control system aims at providing protection against risks of not complying with laws, regulations and internal standards notably related to Investment services activities, clients' protection, money laundering, terrorism financing and internal and external fraud prevention. Specific means for transactions' monitoring and controlling have been implemented : staff training, internal written rules' adoption, compliance permanent controls, fulfillment of statements duties vis-à-vis the regulatory authorities, etc.

These settings are reviewed on a regular basis by the Head of Compliance and the governance bodies of Crédit Agricole CIB, in connection with directives from Crédit Agricole S.A.'s Compliance Division.

The organisation of Crédit Agricole CIB's Compliance function fits into the Compliance business line existing in Crédit Agricole S.A. group. Director of Global Compliance reports hierarchically to the CEO of Crédit Agricole CIB and functionally to the Chief Compliance Officer of Crédit Agricole S.A..

Organised as a global business line, the Global Compliance Department includes all head offices' compliance teams as well as local and regional managers of the international network and their teams. Head of Global Compliance exercises functional authority on Compliance managers of international network entities and of some subsidiaries in the scope of the internal control of Crédit Agricole CIB. At the end of 2014, 280.3 employees (full-time equivalent) worked in Global Compliance. In addition, CPL also has a leadership role towards the correspondents of Compliance relocated within the functions and support functions of Crédit Agricole CIB.

At the head office, the Global Compliance department comprises:

- Corporate Secretariat and Supervision (Secrétariat Général & Supervision - SG&S), which is responsible for supervising and reporting on risks and compliance controls within the Crédit Agricole CIB Group and on the consistency and effectiveness of the non-compliance risk control system. SG&S is also responsible for the permanent control of the Compliance function,

- Financial Security, which is responsible for the Bank's overall system for identifying, mapping, preventing, controling and reporting risks related to financial crimes such as money-laundering and terrorism financing as well as obligations related to embargoes, asset freezes and external corruption,
- Capital Markets Compliance, which is responsible for the Bank's overall system of compliance with internal and external standards, capital markets activities and controls related to Global Markets Division (GMD) and the GMD back-office functions. Capital Markets Compliance is also responsible for GMD compliance pertaining to the "General Regulations" of the French Financial Markets Authority, Article 313-4,
- Conflicts Management Group, which is responsible for Crédit Agricole CIB's overall system for identifying, preventing and managing conflicts of interest and the related controls. CMG is also responsible for compliance of GIB and CPM as regards the "General Regulations" of the French Financial Markets Authority, Article 313-4,
- Corporate Centre – Financing Activities and Ethics Compliance, which is responsible for the head office system focusing on ethics (governance and control of personal account dealing (PAD) and personal and professional positions held), CPL notices on sector policies / country strategies, matters involving corporate social responsibility (CSR), personal data protection and financing activities, as well as FRED,
- Fraud Management and Prevention Unit, which is responsible for fraud prevention, including internal corruption at the Bank.

The heads of these units are members of the CPL Steering Committee.

The Compliance function systematically participates in all Crédit Agricole CIB Internal Control Committees, as well as the top-level Permanent Control Committee. It also participates in the work of the units responsible for sustainable development; in that capacity, its Head chairs the Ethics Committee for Transactions Presenting an Environmental or Social Risk.

The Compliance function's main governance body is the Compliance Management Committee, which includes the Legal (LGL), Finance (FIN), Permanent Control and Risks (RPC) and Crédit Agricole CIB Periodic Control (GIA) functions. The Compliance department of Crédit Agricole S.A. is also a permanent member of this Committee. Furthermore, the Compliance department presides over the top-level New Activities and Products (NAP) Committee of Crédit Agricole CIB.

In 2014, CPL initiated fundamental measures to strengthen the bank's Compliance system and culture. CPL also continued with its effort to adapt its procedures, applications and governance in order to align them with regulatory changes and the new expectations of regulators. These projects were implemented while maintaining the sustained employee training initiatives and supporting the bank's business lines and development projects.

The year was marked in particular by:

- multiple initiatives to firmly instil a culture of compliance and get all Crédit Agricole CIB employees participating in compliance issues
  - strengthening Compliance governance, notably through the updating of our Corporate Memorandum on CPL Missions and Organisation, which clarifies the role and responsibilities of the Bank's various participants on compliance issues;
  - dissemination of the Compliance culture throughout the Bank through the establishment of the Risk Culture and Compliance survey, the establishment of the new Crédit Agricole CIB Code of Conduct, greater emphasis on Compliance skills in the annual review of all employees and regular meetings with the heads of the business lines to call attention to compliance challenges, notably to emphasize the front-line role played by the business lines to ensure the compliance of their operations;
  - continued mandatory training sessions, which have been complemented by the establishment of targeted training covering specific topics: e-learning sessions covering OFAC and conflicts of interest (including the aspects related to submitting index information) given to all Crédit Agricole CIB employees.
- actions to increase staffing and improve the tools dedicated to Compliance as well as disseminate best practices within the Compliance department
  - stabilisation of staffing dedicated to Compliance at the global level following the quantitative and qualitative efforts to strengthen it implemented in 2013, notably through the recruitment of more senior-level personnel;
  - actions aimed at managing and supervising compliance staff through the organisation of events and communications initiatives to disseminate and share best practices with all CPL employees.
- the continued adaptation of the Crédit Agricole CIB system to the various regulatory changes and changes to the Crédit Agricole organisation and business model
  - support for the Bank's projects in implementing the Focus 2016 plan. CPL launched several projects in this area: integrated Conflict Management Group project, in/outsourcing projects (closer management of rules related to data protection), Compliance of the Structured Products line, Data Retention, Retail policy and PAREMA (capital markets solution offered to other Group entities);
  - following rule changes related to market soundings and insider information as well as the development of a code of conduct applicable to foreign exchange transactions;
  - registering Crédit Agricole CIB with the US Internal Revenue Service as a "Participating Foreign Financial Institution" under the Foreign Account Tax Compliance Act (FATCA);
  - implementing international sanctions imposed by the European Union and OFAC in connection with the conflict between Ukraine and Russia.
- the review and strengthening of the compliance control system, which included the following initiatives:
  - reviewing and strengthening the Financial Security controls for trade finance and correspondent banking, with the creation of the Crédit Agricole CIB "Banks Service Unit" in September 2014;
  - improving the management and control system for submitting index information as well as on the Dodd Frank Act (DFA),
  - adapting the Financial Security processes and applications by configuring the applications to better recognise high-risk sectors as regards AML-TF activity;
  - simplifying the client status in KIWIS, with the establishment of a single KYC client status ("pastille") and stricter controls for transactions involving non-compliant cases;
  - adapting the system for managing notifications as embargoes and sanctions change;
  - continuing the initiatives as regards fraud and corruption prevention, notably through a news and information watch and by raising awareness amongst participants dealing with these issues.

In 2015, Compliance will continue to work on the projects begun in 2014: supporting the Focus 2016 plan to continue to address the Bank's compliance issues and obligations, instilling a Compliance

culture throughout the business lines – by positioning compliance as an integral part of the business – notably through special awareness-raising and communications initiatives to promote proper behaviour. CPL will also continue to work on projects initiated to adapt the Crédit Agricole CIB system to regulatory changes and, more specifically, the establishment of the Fourth Directive, MiFID 2, the Volcker Rule and European regulations on personal data protection. CPL will also establish a team dedicated to steering CPL projects and managing the changes that it must undergo, both internally (changes to the business and the organisation) and externally (regulatory changes and new expectations by regulators).

Legal function

Its main duties include managing legal risk within Crédit Agricole CIB in accordance with the decree of 3 November 2014, and providing the necessary support to business lines and support functions to enable them to operate with minimal legal risk and cost, the mandate and monitoring of the relations with the Bank's external legal consultants and the implementation of an alert system in case of a negative or qualified opinion (opinion issued in terms of market transactions by which the Legal function discourages the realisation of the concerned market transaction and indicates the legal risks involved, if this opinion is not taken into account).

Crédit Agricole CIB's Head of Legal reports up the line to the Head of Risk and Permanent Control (RPC).

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

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

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

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

In 2014, the strengthening of the Legal Function permanent control and control of legal risks continued notably through the following actions:

- update of operational risk mapping;
- update of the deployment of the control plan;
- implementation of a permanent control kit for the Legal function Permanent Control correspondents abroad;
- continuation of the Matter Management System (MMS) and E-Billing IT project for external legal files and expenses management, further implementation of the Master Data Base IT project (MDB), change of the market Master agreements' negotiating tool;
- continuation of the participation in monitoring and control of external legal expenses within the Crédit Agricole S.A. Group.

In 2015, the Legal function will further implement its control plan and will establish possible corresponding action plans.

The "Corporate Support International" department

The protection of the IT system and ability to overcome a large-scale accident are essential to defending the interests of Crédit Agricole CIB. In that regard, two units dedicated to handling questions of IT security and business continuity are part of the Corporate Support International department (CSI): ISS (Information Systems Security) and BCP (Business Continuity Plan).

In order to fulfil their permanent control missions, they rely on a network of correspondents in France and abroad.

► ISS

As regards information security, ISS defines the rules and coordinates the maintenance of an adequate security level, in particular through a secondary review of IT risk analyses. Moreover, the Internet systems and critical internal servers are covered by special, large-scale verifications. ISS also co-ordinates periodic reviews of employees' access rights to sensitive applications.

As part of the Marly 31 project, which addresses the recommendations of the French Prudential Supervisory and Resolution Authority (ACPR) on IT security, the actions coordinated by CSI/ISS were continued and facilitated the completion of all of the sub-projects. These included in particular the roles and profiles projects on the most sensitive applications and the deployment of the audit programme for database access.

2014 was marked primarily by the continued implementation of the IT Security System master plan, which goes by the name of Vauban. The implementation schedule runs from 2013 to 2015. The objectives of Vauban are to deploy a variety of security applications that make it possible to strengthen security throughout Crédit Agricole CIB, or in some cases solely for target populations handling very sensitive data.

The principal projects carried out in 2014, some of which were launched in 2013, included:

- improving security in the Paris demilitarized zone (DMZ) (isolated zone hosting applications that need to be accessible externally without running the risk of compromising the company's security),
- continuing the implementation of a Security Operation Centre (SOC),
- deploying additional protection against distributed denial of service (DDOS) attacks,
- continuing the CyberArk project aimed at securing access by network administrators to sensitive resources,
- creating a script to create and cancel user accounts in the IT system,
- deploying the Varonis application in Paris; this application makes it possible to audit access to shared directories as well as messaging authorisations,

- participating in the Cyber-check-up transaction aimed at assessing the main vulnerabilities to cyber attacks at the principal subsidiaries.

It should also be noted that the following awareness measures were carried out: continued deployment of the e-learning application, the design of several informational posters and fact sheets aimed at the network of Local IT Security Coordinators (Coordinateur Local de la Sécurité de l'Information - CLSi) and all Crédit Agricole CIB employees. Finally, training sessions on phishing (fake web sites) were held at CACIB Algiers, a new campaign was held at CACIB London and CACIB New York and additional CSI/ISS training sessions were held for all employees of certain entities and Executive Management.

▶ BCP

As regards business continuity, substantial resources were allocated to ensure business recovery within the deadlines set by the business lines in the event of an accident. Annual tests make it possible to verify the Crédit Agricole CIB's recovery capabilities, both in France and abroad. A specific Business Continuity Plan has been prepared in order to deal with the risk of a pandemic. The goals of this plan are to ensure employee security, by adopting special protective measures, and to ensure the continuity of the Bank's essential activities. An annual assessment makes it possible to verify the effectiveness of the IT security and business continuity system. The BCP department reports on Crédit Agricole CIB's level of security to a bi-monthly committee which is chaired by a member of the Executive Committee.

The major achievements in 2014 included:

- finalising the overhaul of the user back-up systems at the Head Office with the delivery of the TITANE site in June 2014 and the signature of a Sungard contract for the Lognes site,
- a 2014 campaign of tests for data centre loss and loss of production buildings hosting activities with the participation of entities dependent on the Crédit Agricole CIB IT system,
- the redesign of the BCP e-learning site and initiation of a new information campaign for employees.

■ Third degree controls

Periodic control

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

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

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

Nearly 176 people (full time equivalent) work in the Group's internal audit units. Of these, approximately 78 are based at the head office by the end of 2014. The sale of Newedge and thus of its audit team explains the staff decrease.

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

Group Internal Audit has a Central team of 63 auditors and has the task of assessing the effectiveness of the internal control system within Crédit Agricole CIB and all its subsidiaries. To achieve this, it conducts assignments within entities. These assignments involve ensuring compliance with external and Rules of Procedure, ensuring the adequacy of arrangements for measuring and supervising risks of all types and checking the quality of accounting information. They also cover the permanent control and compliance control systems.

For this purpose, Group Internal Audit:

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

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

During 2014, the missions of audits realised on sites or on documents of the Central team enabled to continue the systematic coverage of Bank strategic activities, first of all into the markets thanks to the review of the global Treasury business line, the Debt & Capital Markets activities and Origination activities of Global Debt Market (GDM), the bond trading, the Securities Back Offices, the Banks and other financial institutions' Coverage. Besides, a study on the 2008 markets crisis was carried out, it has helped drawing an ex-post crisis assessment and bringing learnings.

As regards Investment and Coverage Banking, Shipping, Export & Trade Finance, Distressed Assets Department (DAS), Back Office of payment instruments and Coverage function have been audited.

Group Internal Audit ensured its traditional mission of automatic coverage of entities abroad, through two subsidiaries monographs (Spain and Gulf, included their IT systems) and a thematic at Banque Saudi Fransi (B.S.F.), with the ALM Department as well as a review of the recommendations of the Global Internal Audit on UBAF. Moreover, following the sale of CLSA, the residual brokerage activities have been examined via Crédit Agricole Securities Taiwan (Ex CLSA Taiwan) and Asian Securities Program's audit.

Private Banking was examined through the inspection of the monitoring and supervision of the clients' risks related to the Internantional Private Banking activities (mission conducted by the Group Global Internal Audit), the review of Miami branch (including IT), the subsidiaries of Crédit Agricole Suisse (in Hong Kong and Singapore, including IT), the IT of CFM Monaco.

The examination of the central and transversal functions continued, thanks to the audit of the ALM department. Risks related to information systems were covered through the following reviews: Internet security, payment IT systems, paper and electronic filing, Markets systems, data centers hosting and building physical security, Hong Kong IT.

Concerning the missions with the emphasis on regulations, the GIA conducted an annual Basel II mission, an inventory mission, a monitoring and followup of the Outsourced Essential Services ("PSEE") as well as a mission on Crédit Agricole CIB's presence in non-cooperative countries and territories (mission conducted by the Group's Global Internal Audit).

Finally, the Group Internal Audit central team has exceptionally allocated a significant number of its teamworkers (up to 24 auditors) between March and July 2014 to contribute to the Asset Quality Review and to answer to the ECB questions on the subject.

Regional audits and audits of subsidiaries include 97 people at the end of 2014.

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

The local units' audit missions entail:

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

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

Half-yearly formal follow-ups are carried out by the Group's audit teams on audits carried out by internal and external internal control bodies (supervisory authorities or audit firms). For each recommendation made as a result of an audit, this system ensures that the planned remedial action is taken in accordance with a predetermined timetable, established according to their priority.

Moreover, as in 2013, specific committees responsible for following-up the recommendations were held in 2014. In the presence of the Executive Management, of the General Inspector and of its teams, each Head of department, business line or support function, in the company of its permanent controller, is required to provide a report on progress about the most sensitive recommendations of its sector.

The results of follow-up to the recommendations are presented to the Internal Control Committee of Crédit Agricole CIB. If needed, this process leads the Group Internal Auditor to exercise his alert duty towards the Board of Directors as provided for in CRBF regulation 97-02 revised, abrogated and replaced by the 3 November 2014 decree.

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

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

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

The Chairman of the Board of Directors,

STATUTORY AUDITORS' REPORT

prepared in accordance with the provisions of Article L. 225-235 of the French Commercial Code (Code de commerce) on the report prepared by the Chairman of the Board of Directors of Crédit Agricole CIB.

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

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

Year ended 31 December 2014

To the Shareholders,

In our capacity as Statutory Auditors of Crédit Agricole CIB and in accordance with the provisions of Article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report of the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code (Code de commerce) for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented within the company. The report must also contain other information required by Articles L.225-37 of the French Commercial Code (Code de Commerce), relating in particular to corporate governance.

It is our responsibility:

- to report to you our observations based on the information contained in the Chairman's report relating to internal control and risk management relating to procedures and the preparation and processing of accounting and financial information, and
- to attest that this report includes the other information required by Article L.225-37 of the French Commercial Code (Code de Commerce), but not to verify the accuracy of those other information.

We performed our assignment in accordance with the professional standards applicable in France.

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

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information underlying the information presented in the Chairman's report and of the existing documentation;
- obtaining an understanding of the work performed to prepare this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the report of the Chairman of the Board of Directors, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Further information

We confirm that the report by the Chairman of the Board of Directors contains the other information required by Article L.225-37 of the French Commercial Code (Code de Commerce).

Neuilly-sur-Seine and Paris-La Défense, 19 March 2015

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT
Catherine Pariset Emmanuel Benoist

ERNST & YOUNG ET AUTRES
Valérie Meeus Hassan Baaj

OFFICES HELD BY CORPORATE OFFICERS
AT 31 DÉCEMBER 2014

Executive management

Jean-Yves HOCHER

Function within the Company Crédit Agricole CIB in 2014:
CHIEF EXECUTIVE OFFICER

Date of first appointment 2010
Born in 1955

Term of office 2016
Holds no share of the Company

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

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	Crédit Agricole Private Banking			Crédit Agricole Cheuvreux
				CA Consumer Finance
Deputy CEO	Crédit Agricole S.A.		✓	-
Director	Banque Saudi Fransi			Agro Paris Tech (EPCSCP) (2014)
	CA Indosuez Private Banking			Amundi Group
	Crédit Foncier de Monaco			Banco Espirito Santo (Portugal)
				Bespar
				CACEIS
				CACI - (Crédit Agricole Creditor Insurance)
				Cedicam
				Crédit Agricole Assurances Italia Holding S.p.A. (Italy)
				Crédit Agricole Corporate and Investment Bank (from 23 February 2010 to 1 December 2010)
				Crédit Agricole Leasing & Factoring
				Emporiki Bank (Grèce)
				Fireca
				Newedge Group
Director				CLSA BV
				CLSA Stichting Foundation
Vice-Chairman				Prédica
Member of the Supervisory Board				Fonds de garantie des dépôts
Non-voting Director				Crédit Agricole Assurances
Member of the general meeting	MEDEF			

Paul DE LEUSSE

Function within the Company Crédit Agricole CIB in 2014:
DEPUTY CHIEF EXECUTIVE OFFICER

Date of first appointment 2013
Born in 1972

Term of office 2016
Holds no share of the Company

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

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman				Crédit Agricole Bank Polska
Vice-Chairman				Newedge Group (2014)
Director	Crédit Agricole Private Banking			Crédit Agricole Cheuvreux
	UBAF			Crédit Agricole Creditor Insurance
Permanent representative	of Crédit Agricole Corporate and Investment Bank - Director of LESICA (SAS)			Of Crédit Agricole Corporate and Investment Bank : - Director of Flétirec (2014)
Non-voting Director				Predica
				Pacifica

Régis MONFRONT

Function within the Company Crédit Agricole CIB in 2014:
DEPUTY CHIEF EXECUTIVE OFFICER

Date of first appointment 2011
Born in 1957

Term of office 2016
Holds no share of the Company

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

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Director	Kepler Capital Markets	✓		
	Institut de formation du Crédit Agricole Mutuel (IFCAM)(GIE)			
Permanent representative				of Crédit Agricole CIB : - Director of Amundi Investment Solutions
				Crédit Agricole Corporate and Investment Bank : - Head of Internal Audit of the Company

Jacques PROST

Function within the Company Crédit Agricole CIB in 2014:
DEPUTY CHIEF EXECUTIVE OFFICER

Date of first appointment 2013
Born in 1965

Term of office 2016
Holds no share of the Company

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

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman				Immofi Cacib
Vice-Chairman				Crédit Agricole CIB China Ltd
Director	Crédit Agricole (Switzerland) S.A.			Crédit Agricole Immobilier
				Crédit Agricole CIB ZAO (2014)
Member of the Supervisory Board				France Capital SA
Member of the management committee				GISIC (ex LOCAMUR-SOFIGROS)(SAS)

Board of Directors

Jean-Paul CHIFFLET

Function within the Company Crédit Agricole CIB in 2014:
CHAIRMAN OF THE BOARD DIRECTORS AND CHAIRMAN OF THE COMPENSATION COMMITTEE

Date of first appointment as director 2004 — Term of office 2016
Born in 1949 — Holds 1 share of the Company

Business address: 12, Place des États-Unis - 92120 Montrouge

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
CEO	Crédit Agricole S.A.		✓	CRCAM Centre-Est
				Sacam International (SAS)
Chairman	Amundi Group			SAS Sacam Développement
	Crédit Lyonnais (LCL)			Fédération bancaire française (FBF) (Association)
Vice-Chairman				Crédit Agricole S.A.
				Rue La Boétie (SAS)
				Comité des banques de la région Rhône Alpes
Director	Bouygues	✓	✓	Crédit Agricole Financements (Suisse) S.A.
	Crédit Agricole Switzerland			Sacam Participations SAS
	Fondation du Crédit Agricole « Pays de France »			Siparex associés (SA)
				Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM)
Member of the executive committee	Fédération Bancaire Française (FBF) (Association)	✓		Fédération Rhône-Alpes du Crédit Agricole
Member of the management committee				ADICAM (SARL) GECAM (GIE)
Permanent representative				• of CRCAM Centre-Est : - Director, AMT (GIE) • of SAS Sacam Développement, as Director of : - Crédit Lyonnais (LCL) - Lyon Place financière et tertiaire (Association)
Member of The Advisory Committee, Livelihoods Fund (SICAV) Member of The Advisory Council, Paris Europlace				• Corporate secretary Fédération Nationale du Crédit Agricole (FNCA) • Member of Conseil économique et social de Paris • Fonding Chairman in Rhône Alpes de IMS, Entreprendre pour la cité

Edmond ALPHANDERY

Function within the Company Crédit Agricole CIB in 2014:
NON-VOTING DIRECTOR

Date of first appointment 2002 (Director/Non-voting Director since 30 April 2014)
Born in 1943

Term of office 2017
Holds no share of the Company

Business address: 73 Boulevard Hausmann - 75008 Paris

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman				CNP Assurances
				CNP International
Director	GDF Suez (CHAIRMAN OF STRATEGIC AND INVESTMENTS COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE))	✓	✓	Caixa Seguros (Brésil)
	NEOVACS	✓	✓	CNP Unicredit Vita (Italie)
				Icade
Member of the Board	Stichting Continuiteït ST (Pays-Bas)	✓		
Member of the European Advisory Panel de Nomura Securities **Member of the Advisory board of AT Kearney (France)** **Member of the Advisory Committee of Omnes Capital** **Member of Advisory Committee of Quadrille Capital** **Chairman of the Centre for European Policy Studies (CEPS, Brussels)**				

Philippe BRASSAC

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR

Date of first appointment 2010
Born in 1959

Term of office 2016
Holds 1 share of the Company

Business address: 111 avenue Emile Dechame - 06708 Saint Laurent du Var Cedex

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Corporate Secretary	Fédération Nationale du Crédit Agricole (FNCA)			
Chairman	SAS Sacam Développement			AMT (Association de Moyens Technologiques) (GIE)
	SOFIPACA			
Vice-Chairman	Crédit Agricole S.A. (MEMBER OF STRATEGIC COMMITTEE AND OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE)		✓	
	SAS Rue la Boétie			
CEO	CRCAM Provence Côte d'Azur			
	SACAM INTERNATIONAL (SAS)			
Chairman and CEO				Deltager S.A.
Director	ADICAM (SARL)			
	SACAM Participations (SAS)			Cariparma (Italy)
	Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM) (SCI)			Crédit Foncier de Monaco
	COOP.FR (Association) et membre de la CNMCCA	✓		
	Fondation du Crédit Agricole «Pays de France»			Fédération régionale du Crédit Agricole Mutuel
Permanent Representative	• of SAS SACAM DEVELOPPEMENT - Director of Crédit Lyonnais (LCL) • of SOFIPACA - Chairman of SOFIPACA Gestion SAS			
Member of the executive committee	EACB (Association)	✓		SACAM Square Habitat (SAS)
Corporate secretary of the management committee	GIE GECAM			

Frank DANGEARD

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - MEMBER OF THE COMPENSATION COMMITTEE

Date of first appointment 2005
Born in 1958

Term of office 2017
Holds 1 share of the Company

22, rue Simon Dereure - 75018 Paris

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman of the board of directors				Atari
				Goldbridge Capital Partners (UK) (2015)
Vice-Chairman of the board of directors	Telenor (Norway)	✓	✓	
Chairman of the strategic board	-			PricewaterhouseCoopers (France)
Managing Partner	Harcourt (EURL)	✓		
Member of the management Committee	Energos France (SAS)	✓		
Director	Atari	✓	✓	Bruegel (Association - Belgium)
	Hindustan Power (India) (and member of the l'Audit Committee and the Project Management Committee)	✓		EDF
	RPX Corporation (USA) (and member of the Audit Committee)	✓	✓	Moser Baer India Limited (MBIL) (India) (2014)
	Symantec (USA)	✓	✓	Moser Baer Private Projects (MBPP) (India) (2014)
				Sonaecom (Portugal) (2014)
Member of the advisory board	Harvard Business School HEC			

Marie-Claire DAVEU

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR

Date of first appointment 2014
Née en 1971

Term of office 2017
Holds 1 share of the Company

Business address: 10, avenue Hoche - 75008 Paris

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Member of the executive committee (Director of Sustainable Development and international institutional business)	Kering	✓	✓	
Member of the regional assembly of the Ile-de-France				Director of firm: - of the Ministère de l'Ecologie, du Développement durable, des Transports et du Logement - of the Secrétariat en charge de la prospective et de l'économie numérique

Marc DESCHAMPS

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - MEMBER OF THE AUDIT AND RISKS COMMITTEE

Date of first appointment 2010
Born in 1952

Term of office 2016
Holds 1 share of the Company

Business address: 3, avenue de la Libération - 63000 Clermont-Ferrand

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
CEO	Caisse régionale de Crédit Agricole Mutuel de Centre-France			Caisse régionale de Crédit Agricole Mutuel de Normandie
	Sacam Centre (SAS)			
	Banque Chalus			
Chairman and CEO				Sofinormandie (SAS)
				Banque Chalus functions of Chairman
Chairman	ADIMMO (SAS)			CA Immo Normandie (SAS)
	CACF Développement (SAS) et CACF Capital TPE (SASU)			CA Normandie Immobilier (SAS)
	Square Habitat Crédit Agricole Centre France (SAS)			Sofimanche
	Fondation d'entreprise Banque Chalus			Telesecur Soretel (SAS)
				Telesecur Monétique (SAS)
Director	ASM Clermont-Auvergne (Association)	✓		Centre d'échanges de données et d'information du Crédit Agricole Mutuel - CEDICAM (GIE)
	CA Consumer Finance			Crédit Agricole Services (GIE)
	Fondation d'entreprise Crédit Agricole Centre France			Crédit Agricole Leasing & Factoring
	Fondation de l'Université d'Auvergne (Director and Vice-Chairman)	✓		Crédit Agricole Technologies (GIE)
				Crédit Lyonnais (LCL)
				Fonds d'Investissement et de Recherche du Crédit Agricole - FIRECA
				Pleinchamp (SAS)
Permanent Representative	• of CRCAM Centre-France : - Manager of SNC Alli Dômes - Chairman of Cariou Holing (SAS)			• of CRCAM de Normandie : - Chairman, Britline (SAS) - Director, Uni Expansion Ouest - Manager, SEP Normandie • of SAS Sacam Participations. - Director of the IFCAM
• Vice-Chairman of the Conseil économique Social, Environnemental et Régional Auvergne				Chairman of the Auvergne regional Committee Fédération bancaire française

Jean-Frédéric DREYFUS

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR (DIRECTOR REPRESENTING EMPLOYEES – CORPORATE SECRETARY OFFICER – SUSTAINABLE DEVELOPMENT)

Date of first appointment 2002 — Term of office 2017
Born in 1957 — Holds no share of the Company

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

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Director	Astria (Organisme collecteur Action Logement)	✓		
	Université Paris Dauphine	✓		Agence nationale pour la participation des employeurs à l'effort de construction
	Observatoire de la responsabilité sociétale des entreprises (ORSE - Membre du Bureau de l'Association - Trésorier)	✓		
				Foncière logement
				Union d'économie sociale pour le logement
Member				Comité consultatif de l'Autorité des normes comptables
				Treasurer of the Confédération française de l'encadrement - CGC

Fabienne HAAS

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - MEMBER OF THE COMPENSATION COMMITEE

Date of first appointment 2014 — Term of office 2017
Born in 1959 — Holds 1 share of the Company

Business address: 6-8 avenue de Messine - 75008 Paris

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Partner	August & Debouzy et Associés	✓		

François IMBAULT

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR

Date of first appointment 2004
Born in 1948

Term of office 2015
Holds 1 share of the Company

Business address: 26, quai de la Râpée - 75012 Paris

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	Caisse régionale de Crédit Agricole Mutuel de Paris et d'Ile de France		✓	
	Domaine of the Sablonnière (SAS)			
	AGECIF CAMA (Association agréée par l'Etat)	✓		
	Cadif Mécénat (fonds de dotation)			
Director	Credit Agricole Private Banking CA Indosuez Private Banking			Cadif Actions (Association)
	Pacifica			Crédit Agricole Assurances (2014)
	Prédica			
Permanent Representative	of the CRCAM de Paris et d'Ile de France : • Director of Socadif • Manager of the Civile Immobilière Agricole de l'Ile of France • Manager of Société Civile Immobilière Bercy- Villiot			
Corporate Secratary of SPP OPCALIA Services du monde rural (Association authorised by the State)				

Marc KYRIACOU

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR (DIRECTOR REPRESENTING EMPLOYEES)

Date of first appointment 2007
Born in 1958

Term of office 2017
Holds no share of the Company

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

NO OTHER MANDATE SERVED AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
-				-

Michel MATHIEU

Function within the Company Crédit Agricole CIB in 2014:

DIRECTOR

Date of first appointment 2012 — Term of office 2015
Born in 1958 — Holds 1 share of the Company

Business address: 12 Place des Etats-Unis - 92120 Montrouge

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	LESICA (SAS)			ex-Crédit Agricole Private Equity (devenue Omnes Capital)
CEO				Caisse régionale du Languedoc
Deputy CEO	Crédit Agricole S.A.		✓	
Director	Cariparma S.p.A (Italie)			Amundi Group
	Predica			Banco Espirito Santo
	LCL – Le Crédit Lyonnais			BESPAR
				CACEIS
				CACI
				Centre monétique méditerranéen
				Crédit Agricole Assurances
				Crédit Agricole S.A.
				Crédit Agricole Solidarité et Développement
				Deltager
				Friulia S.p.A.
				IFCAM
Vice-Chairman				Prédica
Member of the supervisory board	Eurazeo		✓	Crédit Agricole Titres (SNC)
				Sofilaro
Permanent Representative	• of Crédit Agricole S.A. : - member of the Supervisory Board of Silca - director of Crédit Agricole Immobilier			• of Crédit Agricole S.A. : - Director of Pacifica
				• of the Caisse régionale du Languedoc - Director of EXA (GIE)
Member of the Joint Committee « Cadres dirigeants » of the FNCA				

Anne-Laure NOAT

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - MEMBER OF THE AUDIT AND RISKS COMMITTEE

Date of first appointment 2014 — Term of office 2017
Born in 1964 — Holds 1 share of the Company

Business address: Tour Vista – 52/54 Quai de Dion Bouton - 92800 Puteaux

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Partner	Eurogroup Consulting	✓		
Chairman	-			Association AgroParisTech Alumni (2014)
Director		✓		Uniagro (2014)
				AgroParisTech (EPC SCP) (2014)

Nathalie PALLADITCHEFF

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - MEMBER OF THE AUDIT AND RISKS COMMITTEE

Date of first appointment 2013
Born in 1967

Term of office 2017
Holds 1 share of the Company

Business address: 35, rue de la Gare, 75168 Paris Cedex 19

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Member of the executive Committee	Icade (en charge des finances, du juridique et de l'informatique)	✓	✓	
Chairman	-			Icade Finances Icade Services (SASU)
Director	Qualium investissement (SASU)	✓		Immobiliaria de la Caisse des Dépôts Espana (Spain)
	Icade Management (GIE)			Silic
Permanent Representative	• of Icade :	✓	✓	• of Icade Services, Chairman of Icade Transactions (SAS), I-Porta (SAS), Icade Property Management (SASU), Icade Gestec (SASU), Icade Résidences Services (SASU) • of Icade : - Chairman of Icade Expertise (SASU) - Director of Compagnie La Lucette et de SIICInvest - Managing general partner SCI de la Résidence de Sarcelles
	- Chairman of Sarvilep (SAS)	✓		
	- Liquidator of SCI Des Pays de Loire	✓		

Jean-Pierre PAVIET

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR

Date of first appointment 2012
Born in 1952

Term of office 2015
Holds 1 share of the Company

Business address: Avenue de la Motte-Servolex - 73024 Chambery cedex

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	CRCAM Des Savoie Crédit Agricole des Savoie Caisse Locale de Crédit Agricole d'Aime			
	Crédit Agricole Leasing & Factoring			Eurofactor
	(SAS) Sofineige (organizer holding of Sofineige Group)	✓		
Director	Crédit Agricole Loan SFH			Entreprendre pour Apprendre (Association) (représentant la Fédération Rhône-Alpes du Crédit Agricole)
	Fédération Rhône-Alpes du Crédit Agricole (Association)			HECA (Association)
Permanent Representative	of CRCAM Des Savoie, Director of C2MS (SAS)			
				- of Sofineige and subsidiaries
Chairman of Finances and Risks Commission in the FNCA				

Jean PHILIPPE

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - MEMBER OF THE AUDIT AND RISKS COMMITTEE

Date of first appointment 2007
Born in 1953

Term of office 2017
Holds 1 share of the Company

Business address: Chemin de Devèzes - 64121 Serres Castet

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
CEO	Caisse régionale de Crédit Agricole Mutuel Pyrénées Gascogne			
Chairman	FIA-NET (France)			
	FIA-NET EUROPE (Luxembourg)			
	Radian			
Director	Crédit Agricole Cards & Payments (SNC)			
	Crédit Agricole Immobilier			
	Crédit Agricole Solidarité et Développement (Association)			Crédit Agricole Home Loan SFH (ex-Crédit Agricole Covered Bonds)
	Crédit Agricole Services (GIE) Crédit Agricole Technologies (GIE)			Eurofactor
	SACAM Participations (SAS)			Fonds d'investissement et de recherche du Crédit Agricole - Fireca
	Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM)			GSCO Capital
Permanent Representative	of the Caisse régionale de Crédit Agricole Mutuel Pyrénées Gascogne as: • Chairman of the Board of Directors of BANKOA SA (Spain) • Director of: - Grand Sud Ouest Capital SA - Mercagentes S.A. (Espagne) - Mercagestión S.A. (Espagne)			
Member of management committee	GIE Gecam			

• Chairman of the Comité de Pilotage Nouvelles Relations Clients en multicanal and of the Comité de l'Innovation
• Member of the Comité des partenariats and of the Commission Finances & Risques of the FNCA
• Member of the Commission Vie Mutualiste of the FNCA

Jean-Louis ROVEYAZ

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - MEMBER OF THE COMPENSATION COMMITTEE

Date of first appointment 2010
Born in 1951

Term of office 2017
Holds 1 share of the Company

Business address: 52, boulevard Pierre Coubertin - 49004 Angers Cedex 01

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman of the board of directors	Caisse régionale de Crédit Agricole Mutuel de l'Anjou et du Maine			Pleinchamp (SAS) (Chairman of the executive committee), then Chairman of the Board of Directors
Chairman of the supervisory board	Société d'épargne foncière agricole (SEFA) (SCPI)			
Director	Crédit Agricole S.A. (and member of compensation committee)		✓	Crédit Agricole Home Loan SFH (ex-Crédit Agricole Covered Bonds)
	Cariparma (S.p.A) (Italy)			
	John Deere Financial (SAS)	✓		
	SAS SACAM MACHINISME			
Permanent Representative	Of Crédit Agricole S.A. : - Director of SOPEXA	✓		
Chairman : Comité de l'agriculture de la FNCA - de l'Association des Présidents de Caisses régionales (FNCA) Member : Comité Pilotage Agriculture 2020 de la FNCA Member : Comité Professionnel Agricole (Crédit Agricole S.A.) Member : Commission Vie Mutualiste et Identité de la FNCA Member : Commission Economie et Territoire (FNCA) Member : Comité paritaire de gestion du Fomugei Member of National Committee of negocation of senior executives				

François THIBAULT

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR

Date of first appointment 2010
Born in 1955

Term of office 2016
Holds 1 share of the Company

Business address: 26 rue de la Godde - 45800 Saint Jean de Braye

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	Caisse Régionale de Crédit Agricole Mutuel Centre Loire (et de la Caisse locale de Cosne sur Loire)			CarCentre (GIE)
	Association pour le développement local du Crédit Agricole ADELCA			
	Centre Loire Expansion (SAS)			
	CAMCA CAMCA Courtage CAMCA Mutuelle CAMCA Assurance CAMCA Réassurance CAMCA Vie			
	Foncaris			
	Pleinchamp (SAS)			
Director	CarCentre (GIE)			
	CNMCCA (Confédération)	✓		CA Consumer Finance
	Sacam Centre (SAS)			
Member of the supervisory board	Crédit Agricole Bank Polska S.A. (ex-Lukas Bank) (Pologne)			
Non-voting director	Crédit Agricole S.A.		✓	
Member of the executive committee	Sacam Pleinchamp (SAS)			
Chairman of the Comité d'orientation et de la promotion (COP) / Member of Comité d'Energie et environnement (FNCA) / Member of the following committees: Commission nationale de Rémunération des Cadres de Direction, Commission Mutualiste (FNCA), Commission des Cadres dirigeants du groupe Crédit Agricole / Partner of the GAEC Thibault, du GFA de Montour, of the GFA de Villargeau d'En Haut et de la SCI Loire et Fonbout				Member of Comité du Fonds d'investissement et de recherche du Crédit Agricole /Fireca (SAS)

Jean-Pierre VAUZANGES

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR

Date of first appointment 2013
Born in 1957

Term of office 2017
Holds 1 share of the Company

Business address: 4, rue Louis Braille - 35136 Saint-Jacques de La Lande - France

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
CEO	Caisse Régionale de Crédit Agricole Mutuel d'Illle-et-Vilaine			CRCAM Charente-Périgord
				Fonds d'Investissement et de Recherche du Crédit Agricole - FIRECA
Chairman	Prédica (SAS)			
	Square Achat (SAS)			
Member	Sacam Pleinchamp (SAS) (Conseil de Direction)			Sacam Fireca (SAS) et Sacam Participations (SAS) (Executive Committee)
Director	CCMA Prévoyance (institution de retraite)	✓		
	Camca (et Membre du Comité d'audit)			Fonds d'Investissement et de Recherche du Crédit Agricole – FIRECA
	Crédit Agricole Assurances (Président du Comité d'audit)			
	Crédit Agricole Services (GIE)			
	Crédit Agricole Solidarité et Développement (Association)			
	Crédit Agricole Technologies (GIE)			
	Pacifica (fin 2014)			
	Pleinchamp (SAS)			
	Uni-Editions (SAS)			
Member of the supervisory board	Camca courtage			
Permanent Representative				of CRCAM Charente-Périgord : - Director of Grand Sud-Ouest Capital - Partner of Charente Périgord Expansion (SASU)
Group : Vice-Chairman of the Association nationale des cadres de Direction – Member of the Comité de l'Agriculture et de l'Agroalimentaire – Member of the Commission Economie et Territoire – Member of the Comité Energie Environnement.				Director of Development of the Caisses Régionales at Crédit Agricole S.A. – Member of the executive Committee of Crédit Agricole S.A.

François VEVERKA

Function within the Company Crédit Agricole CIB in 2014:
DIRECTOR - CHAIRMAN OF THE AUDIT AND RISKS COMMITTEE

Date of first appointment 2009
Born in 1952

Term of office 2015
Holds 1 share of the Company

Business address: 84 avenue des Pages - 78110 Le Vésinet

FUNCTIONS AT 31 DECEMBER 2014				FUNCTIONS WITHIN THE PAST FIVE YEARS
Function	Company	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman of the supervisory board	Octo Finances SA	✓		
Director	Crédit Agricole S.A. and chairman of the audit and risks committee Member stratégic committee and of compensation committee		✓	
	Crédit Lyonnais (LCL) and chairman of the risks and accounts committee			
Non Executive Director	Amundi UK Ltd (United-Kingdom)			
Non-voting director	Amundi Group			
				Teacher • ESCP-EAP • Ecole polytechnique fédérale de Lausanne
				Consultant Banquefinance Associés (2014)

Potential conflicts of interest among members of the Board of Directors an Management Board between their private interests or other duties and their duties towards Crédit Agricole CIB

To Crédit Agricole CIB's knowledge, there is no potential conflict of interest between the duties of members of the Board of Directors and Management Board with respect to Crédit Agricole CIB and their private interests.

Crédit Agricole CIB's Board of Directors and Management Board include corporate officers of companies (including Crédit Agricole Group companies) with which Crédit Agricole CIB has commercial relationships. This may be a source of potential conflicts of interest.

The Rules of Procedure of the Board of Directors remind the members of the Board of their obligation to inform the Board about each conflict of interest, including the potential ones, in which they could be involved directly or indirectly and to avoid participating in votes on such matters.

Information on independents Directors is on page 61.

Article L. 621-18-2 of the Code Monétaire et Financier and article 223-26 of the Autorité des Marchés Financiers' General Regulations

The Company shares were not listed on a regulated market, provisions of article L. 621-18-2 of the Code Monétaire et Financier are not applicable to the Company accordingly.

Information on the ownership structure at 31 December 2014 is provided in note 6.20 to the consolidated financial statements on page 276.

EXECUTIVE COMMITTEE

The composition of Crédit Agricole Corporate and Investment Bank's Executive Committee at 31 December 2014 is as follows:

Jean-Yves HOCHER	Chief Executive Officer
Paul de LEUSSE	Deputy Chief Executive Officer
Régis MONFRONT	Deputy Chief Executive Officer
Jacques PROST	Deputy Chief Executive Officer
Jean-François BALAY	Debt Optimisation & Distribution
Martine BOUTINET	Human Resources
Hélène COMBE-GUILLEMET	Global Investment Banking
Frédéric COUDREAU	Global Operations
Pierre DULON	Global IT
Catherine DUVAUD	Global Compliance
Thomas GADENNE	Global Markets Division
Bertrand HUGONET	Corporate Secretary & Communication
Frédéric MERON	Finance
Daniel PUYO	Risk and Permanent Control
Thierry SIMON	Client Coverage and International Network
Jacques de VILLAINES	Structured Finance

COMPENSATION POLICY

■ CREDIT AGRICOLE CIB COMPENSATION POLICY

General principles applicable to all Crédit Agricole CIB employees

Crédit Agricole CIB has established a responsible compensation policy aimed at rewarding individual and Group performance over time, while reflecting the values of the Group and respecting the interests of all stakeholders, be they employees, customers or shareholders. The aim of the policy is to recognise individual and collective performance over the long term.

In line with the specific characteristics of its business lines, legal entities and legislation in local markets, Crédit Agricole CIB's compensation system aims to offer competitive compensation relative to its benchmark markets to attract and retain the best talent. Compensation is dependent on individual performance, but also the overall performance of the business lines. Lastly, the compensation policy aims to limit excessive risk-taking.

Crédit Agricole CIB's compensation policy must also be seen within a closely regulated environment specific to the banking sector.

Total compensation paid to employees of Crédit Agricole CIB comprises the following elements:

- fixed compensation
- annual variable compensation
- collective variable compensation (incentive plans and profit-sharing in France, profit-sharing in other countries)
- supplementary pension and health insurance plans

All or part of this package may be offered to each employee, according to their level of responsibility, skills and performance.

In each of its business lines, Crédit Agricole CIB regularly reviews practices in other French, European and global financial groups so that its compensation structure can support its aspirations to attract and retain the talent and skills the Crédit Agricole CIB needs.

■ Fixed compensation

Expertise and level of responsibility are remunerated by a fixed component, in line with the specificities of each business line in its local market.

■ Annual variable compensation

Within Crédit Agricole CIB, variable compensation plans linked to individual and collective performances have been set up, which depend on achieving set objectives and the entity's results.

Variable compensation is directly tied to annual performance. Variable compensation is directly impacted in the event of inadequate performance, non-compliance with rules and procedures or high-risk actions.

Variable compensation is set in compliance with regulatory principles. It is determined so as to not limit the capacity of Crédit Agricole CIB to increase its equity if necessary. It takes into account all risks, including liquidity risk, as well as the cost of capital.

Variable compensation is thus based on a total amount established for each activity, which is distributed to individual members of staff in accordance with a management policy that depends on an overall assessment of their individual and collective performance, in line with financial and non-financial objectives set individually and collectively.

■ Collective variable compensation

In addition, for many years, it has been Crédit Agricole CIB's policy to share its results and performance collectively with all of its employees in France. For this purpose, a collective variable compensation system (discretionary and mandatory profit sharing) has been set up within each entity. Similar systems that provide all members of staff with a share of results have been set up within certain entities abroad.

Compensation policy for Executive managers

The direct compensation of the Crédit Agricole S.A. Group's executive management is comprised of a fixed salary and annual variable compensation, half of which is determined on the basis of financial objectives and the other half on non-financial objectives (management objectives, client satisfaction and corporate value creation).

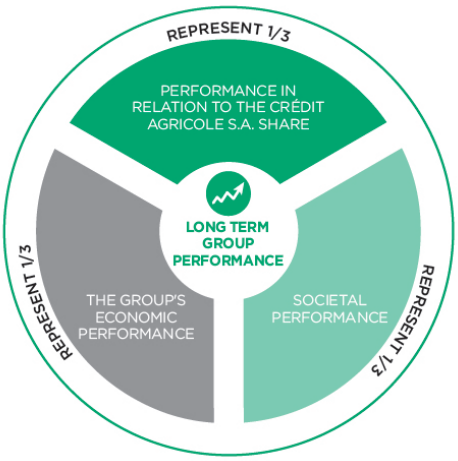
The Crédit Agricole S.A Group's compensation policy emphasises the development of long-term performance.

In 2011, the Group set up a long-term discretionary profit sharing plan with a view to encouraging enduring performance and tightening the link between performance and compensation by taking into account inter alia the entity's societal impact.

The long-term variable compensation plan for senior management provides compensation paid in shares (which are not part of a share plan of free shared granted).

Amounts are deferred over three years. One-third vests each year subject to performance conditions, based on the following criteria:

- Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's operating income;
- the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
- Crédit Agricole S.A's societal performance, as measured by the FReD index.



Executive management and other members of Crédit Agricole CIB's Executive Committee are eligible for this long-term plan, and each year the Group's Chief Executive Officer proposes the amount to be allocated.

All Crédit Agricole CIB senior managers are beneficiaries of a supplemental retirement pension plan.

Governance of compensation within the Crédit Agricole S.A. Group

To ensure standardised application of the compensation policy guidelines and strict compliance therewith, the Group has set up a compensation policies and practices governance structure that applies to all Group entities.

Crédit Agricole S.A's Compensation Committee gives its opinion on the Group's compensation policy to enable the Board of Directors to vote thereon in a fully informed manner. It monitors implementation of this policy, both globally and within the major business lines.

Through the Group Human Resources Department, each entity provides the Crédit Agricole S.A's Compensation Committee with the information necessary for the performance of its duties.

Furthermore, in compliance with regulatory obligations, the control functions are involved in the review process covering the Group's variable compensation and, more specifically these which have an incidence on the risks and the risk management. This applies primarily to:

- the Human Resources Department,
- the Risk and Permanent Control Division,
- the Compliance Division,
- the Finance Division,
- and Group Internal Audit.

The Global Risk and Permanent Control Division and the Global Compliance Division act through the Compensation Policies Control Committee, a body comprised of representatives of each of these divisions, as well as members of the Group Human Resources Department.

This control Committee gives its opinion on the compensation policy developed by the Group Human Resources Department before it is submitted to the Compensation Committee and voted on by the Crédit Agricole S.A Board of Directors.

This Committee's duties include:

- aiming informations about matters involving general policies that will be submitted to the Compensation Committee, an essential condition for it to be able to perform its duty to caution;
- ensuring that the principles on which the Group's compensation policy is based are in compliance with new regulatory requirements;
- assessing whether implementation within the entities is in compliance with the rules adopted: definition of staff identified; principles for establishing total variable compensation amounts; procedures for handling actions in breach of the rules that will be adopted for establishing variable compensation for the current year or prior years;
- coordinating actions to be carried out within the entities by the Risks and Compliance business lines.

The Group Finance Division takes part in the approval process for the principles used to establish total variable compensation amounts by ensuring that the various risks are taken into account. In addition, it ensures that the total amount of variable compensation is not liable to limit the Group's capacity to increase its equity.

Each year, the Group Internal Audit conducts an ex post facto audit of the definition and implementation of the compensation policy.

The Crédit Agricole CIB Compensation Committee reviews the implementation of the Group's principles within Crédit Agricole CIB, as adopted by the Crédit Agricole S.A Compensation Committee.

In particular, its recommendations / duties concerned in 2014:

- the principles governing variable compensation paid to the company's staff (composition, base, form and payment date), as well as the total amount paid as variable compensation.
- reviewing the distribution of the total variable compensation amount at the individual level, in the case of the highest amounts.
- conducting an annual review of the compensation policy and verifying that it is in compliance with the regulatory dispositions and with applicable standards.

COMPENSATION OF IDENTIFIED STAFF

In line with the Group's general principles, the compensation policy applicable to identified staff is also governed by strict regulations that lay down the requirements for structuring their compensation.

SCOPE OF IDENTIFIED STAFF

The term "identified staff" replaces the former terms "regulated staff" or "risk takers".

Identified staff include all categories of staff who have a material impact, on their risk profile of their entity through their function, their level of delegation or their level of compensation as well as employees belonging to the control functions of the entity.

The determination of employees as identified staff is of a joint process between Crédit Agricole CIB and Crédit Agricole S.A. and between Human Resources Functions and various control functions.

Scope of identified staff

Crédit Agricole CIB covers by the Decree of 3 November 2014 on internal control of credit institutions and investment firms (entities with balance sheets of more than €10 billion or equity of more than 2% of their parent company's equity).

Under Delegated Regulation EU 604/2014, "identified staff" include:

- Identified staff by virtue of their function in credit institutions or investment firms with balance sheets of more than €10 billion or equity of more than 2% of their parent company's equity:
  - The Corporate Officers or Chief Executive Officers in these entities,
  - Members of the Executive Committee or employees reporting directly to Chief Executive Officers in these entities,
  - The heads of the three control functions: Risk and Permanent Controls, Compliance and Audit,
  - employees who chair the "new activities / new products " committees.
- Identified staff by virtue of their level of authorisation or compensation in Crédit Agricole CIB:
  - employees with authorisation or powers to take credit risks of more than 0.5% of Common Equity Tier 1 (CET1) capital in their Company,
  - employees who can take market risks of more than 5% of the Value at Risk (VaR) of the subsidiary they belong to,
  - the hierarchical managers of employees who are not individually identified but who are collectively authorised to take credit risks more than 0.5% of CET1 capital in their Company,
  - employees who have earned total gross compensation of more than €500,000 in the previous financial year,
  - employees who are not identified under any of the previous criteria but whose total compensation uts them in the 0.3% top earners in the Company in the previous year (for entities with a balance sheet of more than €10 billion or with equity of more than 2% of their parent company's equity)
- For information : identified staff by virtue of their function in Crédit Agricole S.A.:
  - corporate Officers,
  - all members of the Executive Committee,
  - heads of central functions responsible for finance, legal affairs, taxation, human resources, compensation policy, information technology, management control and economic analysis,
  - the heads of the three control functions: Risk and Permanent Controls, Compliance and Audit,
  - employees reporting directly to the head of Risk and Permanent Controls, Compliance and Audit,
  - employees heading a committee responsible for managing operational risk for the Group.

Compensation policies for identified staff

Rules governing the compensation of staff identified

Pursuant to its regulatory obligations, the main features of Group compensation policy for identified staff are:

- The amounts and repartition of variable compensation must not impair Credit Agricole CIB' ability to strengthen their equity as required;
- For any employee in a credit institution or investment firm, the variable component of their compensation cannot be greater than 100% of the fixed component. Nevertheless, each year, the General Meeting of Shareholders can vote to apply a higher maximum ratio provided that total variable component never exceeds 200% of the fixed component for any employee;
- A portion of variable compensation is deferred over three years and vests in tranches subject to performance conditions.
- A part of variable compensation is paid in Crédit Agricole S.A. shares or instruments linked to Crédit Agricole S.A. share.
- Vesting of each deferred tranche is followed by a six-month custody period. Part of the non-deferred compensation is also locked in for six months.

Deferred vesting rules

The system set up promotes staff members' involvement in the medium-term performance of Crédit Agricole CIB and risk control.

In practice, due to the proportionality principle, members of staff for whom the variable share of compensation is below a threshold defined at Group level are excluded from the scope of the deferred vesting rules, unless otherwise required by local regulators in the countries where Crédit Agricole CIB does business.

The deferred share varies depending on the total variable share awarded for the financial year. The higher variable compensation

is, the higher the share of deferred variable compensation as a component of total variable compensation (deferred compensation sliding scale).

■ Payment in shares or equivalent instruments

The deferred and non-deferred components of variable compensation locked-in six months are paid in the form of Crédit Agricole S.A shares or equity-linked instruments. Accordingly, at least 50% of the variable compensation of identified staff is awarded in shares or equivalent instruments.

Payments are made at the end of a lock-in period, in accordance with the regulations. This lock-in period, which is defined at the Crédit Agricole S.A Group level, is six months. Any hedging or insurance strategy that seeks to limit the scope of the risk alignment provisions contained in the compensation system is prohibited.

■ Performance conditions

Deferred compensation vests in one-third increments: one-third in year N+1, one third in year N+2 and one-third in year N+3 after the reference year (N), provided the vesting conditions are met. Each vesting date is extended by a six-month lock-in period.

■ Limitation of guaranteed variable compensation

Payment of guaranteed variable compensation is authorised only in connection with the hiring of a new employee and for a period not to exceed one year.

The award of guaranteed variable compensation is subject to the conditions of the deferred compensation plan applicable for the financial year. Therefore, all rules governing variable compensation of staff identified (deferral compensation sliding scale, performance conditions, publication) apply to these guaranteed variable compensation.

■ COMPENSATION OF EXECUTIVE MANAGEMENT

General compensation principles

The compensation policy applicable to Crédit Agricole CIB's executive management is defined by the Board of Directors pursuant to a proposal of the Compensation Committee. The Board of Directors reviews this policy annually to take into account changes in the competitive environment and context. It is in line with the compensation policy applicable to all Crédit Agricole S.A Group senior managers. This principle seeks to unify the Group's leading employees around common and shared criteria.

In addition, the compensation of Crédit Agricole CIB's executive management is in compliance with:

- The regulatory framework defined by the Monetary and Financial Code and the decree of 3 November 2014 on internal controls in credit institutions and investment firms, which transposes in France the European provisions on compensation of staff identified who are executive corporate officers;
- the recommendations and principles of the Listed Companies' Governance Code, as amended in June 2013 ('AFEP-MEDEF Code').

Pursuant to a proposal of the Compensation Committee, each year the Board of Directors reviews the components of the compensation of executive management, with the principal objective of recognising long-term performance.

For serving as deputy CEO of Crédit Agricole S.A. and CEO of Crédit Agricole CIB, Mr Jean-Yves Hocher's compensation is déterminated by the Boards of directors of Crédit Agricole S.A. and of Crédit Agricole CIB, after examination of respective Compensation Committees.

For serving on these two offices, this compensation is defined on basis of the time devoted to Crédit Agricole CIB (85%) and to Crédit Agricole S.A.(15%).

Fixed compensation

Pursuant to a proposal of the Crédit Agricole CIB Compensation Committee, the Board of Directors establishes the fixed compensation of Crédit Agricole CIB executive management, taking into account:

- the scope of their supervision activities;
- practices in the market and compensation paid to persons holding similar positions. Each year, with the assistance of specialised firms, studies are conducted at the Group level on the positioning of the compensation of the company's executive corporate officers compared to other companies in the financial sector in order to ensure the consistency of the compensation principles and levels.

In accordance with the recommendations of the AFEP-MEDEF Code (section 23.2.2), the fixed compensation of executive corporate officers is reviewed only at fairly lengthy intervals, unless a change in a person's supervisory duties justifies reviewing his fixed compensation.

Variable compensation

■ Annual variable compensation

Pursuant to a proposal of the Crédit Agricole CIB Compensation Committee, the Board of Directors establishes the variable compensation of Crédit Agricole CIB executive management:

For each member of executive management, variable compensation is based 50% on financial criteria and 50% on non-financial criteria, thereby combining recognition of overall performance with a balance between financial and managerial performance. Pursuant to a proposal of the Compensation Committee, the Board of Directors approves the financial and non-financial criteria proposed.

The variable share is expressed as a percentage of fixed annual compensation. Variable compensation is determined on the basis of a target and a maximum level of achievement of financial and non-financial objectives. The maximum level of compensation is awarded in the event of exceptional performance.

The criteria that the Board of Directors approved for 2014 are shown below:

1. Financial criteria, for 50% of variable compensation. These criteria take into account financial results, as well as investment levels and risks generated, the cost of capital and the cost of liquidity, in compliance with the regulatory requirements laid down by Monetary and Financial Code and the decree of 3 November 2014 on internal controls, and in line with the development strategy of the Group and its business lines. The financial criteria concern both Crédit Agricole S.A and Crédit Agricole CIB. In the case of Jean-Yves Hocher, Banque Privée is also taken into account.
2. Non-financial criteria, for 50% of variable compensation. Non-financial criteria are revised every year on the basis of Crédit Agricole CIB's strategic priorities. They are based on three groups of objectives (human capital development, value creation for clients, societal value creation).

■ Vesting methods for annual variable compensation

The deferred share of annual variable compensation may account (for 40% to 60%).

The deferred share of annual variable compensation is paid in Crédit Agricole S.A shares, permanent vesting of which is deferred progressively over three years and conditioned on achieving three performance objectives:

- Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's operating income;
- the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
- Crédit Agricole S.A's societal performance, as measured by the FReD index.

For each criterion, the grant may vary from 0% to 100% (target level corresponding to achieving the target set by the Board of Directors). Each criterion accounts for one-third of the grant. For each year, the percentage vested is the average percentage vested for each criterion, which is capped at 100%. In no circumstances may the total amount of deferred compensation vested in 3 years be more than 150% of the amount at grant.

The non-deferred share of annual variable compensation may account (for 40% to 60%).

The non-deferred share of this total variable compensation is paid in part at the time it is awarded in March variable and in part after a six-month lock-in period, this latter part is indexed to changes in the Crédit Agricole S.A share price.

Stock options – free shares granted

Executive corporate officers were not entitled to any free share granted plan in 2014.

Other commitments

■ Retirement

Messrs Jean-Yves Hocher, the Chief Executive Officer, and Messrs Jacques Prost and Paul de Leusse, Deputies Chief Executive Officers, are beneficiaries of a supplemental retirement pension plan that is a combination of a defined contributions plan and a supplemental defined benefits plan. The rights under the supplemental plan are calculated after deducting the annuity earned under the defined contributions plan. The contributions to the defined contributions plan are equal to 8% of gross salary, capped at eight times the social security ceiling.

Provided the employee is still employed by the company at the end of his career, for each year of service, and based on end-of-career fixed salary (known as the "reference salary"), the supplemental rights under the defined benefits plan are equal to 1.20% of fixed compensation, plus variable compensation (capped at 60% of fixed compensation). When these rights are claimed, the total retirement annuity paid by these plans and the mandatory pension plans will be capped at 23 times the annual social security ceiling on that date.

Mr Régis Monfront, Deputy Chief Executive Officer, retains his benefits under a supplemental retirement pension plan whose deferred rights vest only if the beneficiary finishes his career with Crédit Agricole CIB, and which are expressed as a percentage of a base, known as the "reference salary", which equals the average of the last three years' fixed compensation, plus the average of gross bonuses awarded during the preceding 36 months (the average of the bonuses is limited to one-half the last fixed salary).

The rights under pension commitments are submitted to the general meeting of shareholders, in accordance with the procedure required for regulated agreements.

■ Severance payment

In connection with the corporate offices they hold with Crédit Agricole CIB, Messrs Jean-Yves Hocher, Jacques Prost, Paul de Leusse and Régis Monfront are not entitled to any severance pay that will or may be due in the event their position is terminated or changed.

Commitments made by Crédit Agricole S.A, but for which Crédit Agricole CIB has incurred no financial obligation, are described in

the section concerning Jean-Yves Hocher.

If necessary, the terms and conditions thereof are submitted for the approval of the Crédit Agricole CIB general meeting of shareholders.

■ Non competition clause

In connection with the corporate offices they hold with Crédit Agricole CIB, Messrs Jean-Yves Hocher, Jacques Prost, Paul de Leusse and Régis Monfront are not bound by any covenant not to compete.

Commitments made by Crédit Agricole S.A, but for which Crédit Agricole CIB has incurred no financial obligation, are described in the section concerning Jean-Yves Hocher.

If necessary, the terms and conditions thereof are submitted for the approval of the Crédit Agricole CIB general meeting of shareholders.

Other benefits of executive corporate officers

Messrs Jean-Yves Hocher, Jacques Prost, Paul de Leusse and Régis Monfront are each entitled to a company car. Mr Jean-Yves Hocher is also entitled to company housing.

Crédit Agricole CIB pays 85% of the benefits to which Mr Jean-Yves Hocher is entitled (the 15% available are in charge of Crédit Agricole SA.).

No other benefits are awarded to executive corporate officers.

Individual compensations of executive corporate officers

Mr Jean-Yves Hocher – Chief Executive Officer

▶ Table 1 - Compensation and options/shares granted to Crédit Agricole CIB executive corporate officers

Gross amounts (in euros)	2013	2014
Compensation awarded for the financial year [1]	1,015,363	1,081,581
Value of options awarded during the financial year [2]	0	0
Value of free shares granted during the financial year [2]	0	0

[1] The compensation shown in this table was awarded for the year indicated. The detailed tables below distinguish between compensation awarded for a particular year and compensation received during the year, and for which Crédit Agricole CIB pays 85%.

[2] No Crédit Agricole S.A stock purchase options were awarded to corporate officers in 2014. No free share granted plan has been set up within Crédit Agricole S.A or Crédit Agricole CIB.

▶ Table 2 - Table summarising gross compensation

Jean-Yves Hocher Chief Executive Officer (amounts in euros)	2013		2014	
	Amount awarded for 2013, 85% of which is paid by Crédit Agricole CIB	Amount paid in 2013, 85% of which was paid by Crédit Agricole CIB	Amount awarded for 2014, 85% of which is paid by Crédit Agricole CIB	Amount paid in 2014, 85% of which was paid by Crédit Agricole CIB
Fixed compensation	500,000	500,000	500,000	500,000
Non-deferred variable compensation	135,000	90,000	137,100	135,000
Variable compensation indexed to the value of the Crédit Agricole SA share	45,000	33,600	45,700	43,650
Deferred and conditional variable compensation	270,000	108,704[2]	274,200	327,501[3]
Extraordinary compensation	0	0	0	0
Directors' fees [1]	5,402	5,402	64,076	64,076
In-kind benefits	59,961	59,961	60,505	60,505
TOTAL	**1,015,363**	**797,667**	**1,081,581**	**1,130,732**

[1] The following amounts have been deducted from the sums owed to the individual French resident beneficiaries: income tax (21%) and social security contributions (15.50%) advances. Mr Jean-Yves Hocher received director's fees in connection with his office as a director of Crédit Agricole Indosuez Private Banking and Bank Saudi Fransi.

[2] For information purposes, Crédit Agricole S.A also paid him the amount of €46,018 in 2013 for duties performed with that company in 2010. This amount is equal to the value of the shares delivered in 2013 as the second tranche of deferred variable compensation owed for 2010.

[3] For information purposes, Crédit Agricole S.A also paid him the amount of 106,298 in 2014 for duties performed with that company in 2010. This amount is equal to the value of the shares delivered in 2014 as the third tranche of deferred variable compensation owed for 2010.

▶ Table 2 bis – Breakdown of deferred variable compensation

	Total number of shares granted [1]	2012		2013		2014	
		Number of shares granted [1]	Number of shares acquired [2]	Number of shares granted [1]	Number of shares acquired [2]	Number of shares granted [1]	Number of shares acquired [4]
Deferred and conditional variable compensation awarded in 2011 for 2010 *For the office held in 2010 with Crédit Agricole S.A.*	28,146	9,382	6,046	9,382	6,574	9,382	9,382
Deferred and conditional variable compensation awarded in 2012 for 2011	61,225			20,409	15,058	20,409	20,409
Deferred and conditional variable compensation awarded in 2013 for 2012	25,070					8,357	8,357

[1] The value of the share when awarded was €11.81 for deferred and conditional variable compensation awarded in 2011 for 2010, €4.90 for deferred and conditional variable compensation awarded in 2012 for 2011 and €7.18 for deferred and conditional variable compensation awarded in 2013 for 2012.

[2] The value of the share at the time of vesting was €5.16 for deferred and conditional variable compensation awarded in 2011 for 2010.

[3] The value of the share at the time of vesting was €7 for deferred and conditional variable compensation awarded in 2011 for 2010 and €7.22 for deferred and conditional variable compensation awarded in 2012 for 2011.

[4] The value of the share at the time of vesting was €11.33 for deferred and conditional variable compensation awarded in 2011 for 2010, €11.39 for deferred and conditional variable compensation awarded in 2012 for 2011 and €11.39 for deferred and conditional variable compensation awarded in 2013 for 2012.

Mr Jean-Yves Hocher has been the Chief Executive Officer of Crédit Agricole CIB since 1 December 2010.

He supervises the Global Compliance (CPL), Corporate Secretary & Communication (CSE) and Group Internal Audit (GIA) divisions.

Under the office of Deputy Chief Executive Officer of Crédit Agricole S.A and Deputy Chief Executive Officer of Crédit Agricole CIB, Mr Jean-Yves hocher compensation is determined by Crédit Agricole S.A. and Crédit Agricole CIB Board meetings, after respectively compensation committees reviews.

Since 1 January 2011, under these two offices, the charge of his compensation is determinated in proportion to the time devoted to Crédit Agricole CIB (85%) and Crédit Agricole S.A. (15%).

Therefore, Crédit Agricole CIB pays 85% of the amounts paid and awarded (not including deferred and conditional compensation paid in 2013 and 2014 that was awarded by Crédit Agricole S.A for a prior financial year).

▶ Fixed compensation

Mr Jean-Yves Hocher receives gross fixed annual compensation of €500,000. This compensation was decided by the Crédit Agricole S.A Board of Directors at its meeting of 13 November 2008 and the Crédit Agricole CIB Board of Directors at its meeting of 12 January 2011 pursuant to a proposal by their Compensation Committees and has not changed since then.

▶ Variable compensation

Variable compensation awarded in 2015 for 2014

The Crédit Agricole CIB Board of Directors, at its meeting of 16 February 2015, and the Crédit Agricole S.A Board of Directors, at its meeting of 17 February 2015, pursuant to a proposal of their Compensation Committees, approved the amount of Mr Jean-Yves Hocher's variable compensation for financial year 2014.

Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB of 30 April 2015 and Crédit Agricole S.A Boards of Directors of 6 May 2015 were met, the amount of Mr Jean-Yves Hocher's variable compensation for financial year 2014 was consequently set at €457,000.

- This compensation breaks down as follows:
- €137,100, i.e. 30% of variable compensation will be paid in March 2015;
- €45,700, i.e. 10%of variable compensation is indexed to the Crédit Agricole S.A share price and will be paid in September 2015;
- €274,200, i.e. 60% of variable compensation is paid in Crédit Agricole S.A shares, permanent vesting of which is deferred progressively over three years and is conditioned on the achievement of three performance objectives:
  - Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's operating income;
  - the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
  - Crédit Agricole S.A's societal performance, as measured by the FReD index.

Deferred and conditional variable compensation vested in 2014 (for prior financial years)

As deferred and conditional variable compensation for prior years, 38,148 shares Crédit Agricole S.A. vested in favour of Mr Jean-Yves Hocher for an amount of €433,798, of which 28,766 shares for an amount of €327,501 were for his duties with Crédit Agricole CIB. This amount corresponds:

- to the first year's payment of deferred variable compensation awarded in 2013 for 2012. For this tranche, 8,357 shares were granted, with a share price of €7.18 on the date they were granted;
- to the second year's payment of deferred variable compensation awarded in 2012 for 2011. For this tranche, 20,409 shares were granted, with a share price of €4.90 on the date they were granted;

- to the third year's payment of deferred variable compensation awarded in 2011 for 2010. For this tranche, 9,382 shares were granted, with a share price of €11.81 on the date they were granted;

Vesting was conditioned on the achievement of three performance objectives:

- Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's gross operating income;
- the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
- Crédit Agricole S.A's societal performance, as measured by the FReD index.

Based on the performances achieved with respect to these three criteria, the final vesting rates were as follows:

- a vesting rate of 100% for the variable compensation tranche awarded in 2010;
- a vesting rate of 100% for the variable compensation tranche awarded in 2011;
- a vesting rate of 100% for the variable compensation tranche awarded in 2012.

Accordingly, shares that finally vested are equal to those initially allocated for this exercise.

► Extraordinary compensation

No extraordinary compensation was awarded or paid for financial year 2014.

► Severance payment

Commitments made by Crédit Agricole S.A, but for which Crédit Agricole CIB has incurred no financial obligation, were made in connection with Mr Jean-Yves Hocher's employment contract with that company. This employment contract was suspended during the period he holds the office of Deputy Chief Executive Officer of Crédit Agricole S.A.

If Mr Jean-Yves Hocher leaves office, his employment contract will be reactivated under compensation terms equivalent to the average annual compensation paid to the members of Crédit Agricole S.A's Executive Committee, not including corporate officers, during the 12 months immediately prior to the date he leaves office. Crédit Agricole S.A has undertaken to offer him at least two positions equivalent to the positions of the members of Crédit Agricole S.A's Executive Committee.

If his employment contract is subsequently terminated, Mr Jean-Yves Hocher will be entitled to severance pay calculated as an amount equal to two times the sum of gross annual compensation received during the 12 months prior to the termination of his employment (excluding in-kind benefits), including all other types of compensation, in particular severance pay pursuant to collective bargaining agreements and any compensation owed in consideration for a covenant not to compete.

Mr Jean-Yves Hocher is subject to a covenant not to compete which forbids him from accepting employment in France with any company that engages in a business that competes with that of Crédit Agricole S.A. This covenant not to compete will remain in force for a period of one year from the termination of the employment contract. In consideration therefor, during the term of his obligation, Mr Jean-Yves Hocher will receive a monthly allowance equal to 50% of his last fixed salary.

In accordance with the AFEP-MEDEF Code (section 23.2.5), the total of Mr Jean-Yves Hocher's severance pay and compensation owed in consideration for a covenant not to compete is capped at two years' annual compensation.

The Crédit Agricole S.A Board of Directors reserves the right to release Mr Jean-Yves Hocher, in full or in part, from this obligation at the time his employment ends.

► Retirement benefits

If Mr Jean-Yves Hocher's employment contract is reactivated, he will be entitled to the retirement benefits provided to all employees under the Crédit Agricole S.A collective bargaining agreement. The total amount of these benefits cannot exceed six months of fixed salary, plus variable compensation limited to 4.5% of fixed salary.

► Supplemental retirement pension plan

Supplemental retirement pension commitment: Mr Jean-Yves Hocher is the beneficiary of a supplemental retirement pension plan with Crédit Agricole S.A, for which Crédit Agricole CIB pays 85% of the contributions (which corresponds to the share of his time devoted to Crédit Agricole CIB) during the period he holds his corporate office with Crédit Agricole CIB.

This plan is a combined defined contributions plan and supplemental defined benefits plan. The rights under this plan are calculated after deducting the annuity earned under the defined contributions plan.

► In-kind benefits

The company provides Mr Jean-Yves Hocher with accommodation. This benefit is treated as an in-kind benefit for tax purposes in accordance with the laws in force.

Mr Régis Monfront – Deputy Chief Executive Officer

► Table 1 - Compensation and options/shares granted to Crédit Agricole CIB executive corporate officers

Gross amounts (in euros)	2013	2014
Compensation awarded for the financial year [1]	647,869	668,665
Value of options awarded during the financial year [2]	0	0
Value of free shares granted during the financial year [2]	0	0

[1] The compensation shown in this table was awarded for the year indicated. The detailed tables below distinguish between compensation awarded for a particular year and compensation received during the year.

[2] No Crédit Agricole S.A stock purchase options were awarded to corporate officers in 2014. No free share granted plan has been set up within Crédit Agricole CIB.

▶ Table 2 - Table summarising gross compensation

Régis Montfront Deputy Chief Executive Officer (amounts in euros)	2013		2014	
	Amount awarded for 2013	Amount paid in 2013	Amount awarded for 2014	Amount paid in 2014
Fixed compensation	380,000	380,000	380,000	380,000
Non-deferred variable compensation	132,000	124,000	142,500	132,000
Variable compensation indexed to the value of the Crédit Agricole SA share	26,400	27,776	28,500	25,608
Deferred and conditional variable compensation	105,600	(1)	114,000	52,428
Extraordinary compensation	0	0	0	0
Directors' fees (1)	0	0	0	0
In-kind benefits	3,869	3,869	3,665	3,665
TOTAL	**647,869**	**515,645**	**668,665**	**593,701**

(1) In 2013, Mr Régis Monfront was not paid any deferred or conditional variable compensation in connection with his corporate office with Crédit Agricole CIB.

▶ Table 2 bis – Breakdown of deferred variable compensation

	Total number of shares granted (1)	2014	
		Number of shares granted (1)	Number of shares acquired (2)
Deferred and conditional variable compensation awarded in 2013 for 2012	13,817	4,605	4,605

(1) The value of the share when awarded was €7.18 for deferred and conditional variable compensation awarded in 2013 for 2012.
(2) The value of the share at the time of vesting was €11.39 for deferred and conditional variable compensation awarded in 2013 for 2012.

Appointed Deputy Chief Executive Officer of Crédit Agricole CIB on 15 December 2011, he supervised until 31 December 2014 Client Coverage & International Network (CIN), Global Investment Banking (GIB) and Structured Finance (SFI).

Since 1 January 2015, he supervises Client Coverage & International Network (CIN), with direct Coverage, International Network and French regions division coordination, and Global Investment Banking (GIB).

▶ Fixed compensation

Mr Régis Monfront receives gross fixed annual compensation of €380,000. This compensation was decided by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 pursuant to a proposal by the Compensation Committees and has not changed since then.

▶ Variable compensation

Variable compensation awarded in 2015 for 2014

Pursuant to a proposal of the Compensation Committee made on 16 February 2015, the Board of Directors, at its meeting of 11 February 2015, approved the amount of Mr Regis Monfront's variable compensation for financial year 2014.

Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 30 April 2014 were met, the amount of Mr Régis Monfront's variable compensation for financial year 2014 was consequently set at €285,000.

This compensation breaks down as follows:

- €142,500, i.e. 50% of variable compensation will be paid in March 2015;
- €28,500, i.e. 10% of variable compensation is indexed to the Crédit Agricole S.A share price and will be paid in September 2015;
- €114,000, i.e. 40% of variable compensation is paid in Crédit Agricole S.A shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives:
  - Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's operating income;
  - the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
  - Crédit Agricole S.A's societal performance, as measured by the FReD index.

Deferred and conditional variable compensation vested in 2014 (for prior financial years)

As deferred and conditional variable compensation for prior years, 4,605 shares Crédit Agricole S.A. vested in favour of Mr Régis Monfront for an amount of €52,428. This amount corresponds to the first year's payment of deferred variable compensation awarded in 2013 for 2012. For this tranche, 4,605 shares were granted, with a share price of €7.18 on the date they were granted.

Vesting was conditioned on the achievement of three performance objectives:

- Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's gross operating income;
- the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
- Crédit Agricole S.A's societal performance, as measured by the FReD index.

Based on the performances achieved with respect to these three criteria, the final vesting rate is 100%.

Accordingly, shares that finally vested are equal to those initially allocated for this exercise.

► Extraordinary compensation

No extraordinary compensation was awarded or paid for financial year 2014.

► Directors' fees

Mr Régis Monfront did not receive any directors' fees for 2014.

► Severance payment [1]

In connection with his corporate office with Crédit Agricole CIB, Mr Régis Monfront is not entitled to any severance pay that is or may be owed in the event his position is terminated or changed.

► Supplemental retirement pension

Supplemental retirement pension commitment: Under his employment contract with Crédit Agricole CIB, which has been suspended, Mr Régis Monfront is the beneficiary of a supplemental retirement pension plan.

This supplemental retirement pension plan commitment, whose deferred rights vest only if the beneficiary finishes his career with Crédit Agricole CIB, and which are expressed as a percentage of a base, known as the "reference salary", which equals the average of the last three years' fixed compensation, plus the average of gross bonuses awarded during the preceding 36 months (the average of the bonuses is limited to half the last fixed salary).

► In-kind benefits

The company provides Mr Régis Monfront with a car. This benefit is treated as an in-kind benefit for tax purposes in accordance with the laws in force.

[1] As Deputy CEO, Mr Monfront is not concerned by AFEP- MEDEF Code' recommendations on executive corporate officers employment contract termination' which apply only on Chairman, Chairman and CEO and CEO in companies with Board of Directors.

Mr Paul de Leusse – Deputy Chief Executive Officer

► Table 1 - Compensation and options/shares granted to Crédit Agricole CIB executive corporate officers

Gross amounts (in euros)	2013	2014
Compensation awarded for the financial year [1]	258,467	829,914
Value of options awarded during the financial year [2]	0	0
Value of free shares granted during the financial year [2]	0	0

[1] The compensation shown in this table was awarded for the year indicated (as from 1 Septembers 2013). The detailed tables below distinguish between compensation awarded for a particular year and compensation received during the year (as from 1 September 2013).
[2] No Crédit Agricole S.A stock purchase options were awarded to corporate officers in 2014. No free share granted share plan has been set up within Crédit Agricole CIB.

► Table 2 - Table summarising gross compensation

Paul de Leusse Deputy Chief Executive Officer (amounts in euros)	2013		2014	
	Amount awarded for 2013	Amount paid in 2013	Amount awarded for 2014	Amount paid in 2014
Fixed compensation	126,667	126,667	380,000	380,000
Non-deferred variable compensation	57,000	[2]	190,000	57,000
Variable compensation indexed to the value of the Crédit Agricole SA share	11,400	[2]	38,000	11,058
Deferred and conditional variable compensation	45,600	[2]	152,000	[3]
Extraordinary compensation	0	0	50,000	50,000
Directors' fees [1]	16,000	16,000	14,514	14,514
In-kind benefits	1,800	1,800	5,400	5,400
TOTAL	**258,467**	**144,467**	**829,914**	**517,972**

[1] Mr Paul de Leusse received directors' fees from UBAF in connection with his office as director of that company.
[2] In 2013, Mr Paul de Leusse was not paid any variable compensation in connection with his corporate office with Crédit Agricole CIB.
[3] In 2014, Mr Paul de Leusse was not paid any deferred and conditional variable compensation in connection with his corporate office with Crédit Agricole CIB.

► Table 2 bis – Breakdown of deferred variable compensation

In 2014, Mr Paul de Leusse was not paid any deferred and conditional variable compensation in connection with his corporate office with Crédit Agricole CIB.

Mr Paul de Leusse has been Deputy Chief Executive Officer since 26 August 2013.

He supervises the Credit Portfolio Management (CPM), Corporate Support International (CSI), Department Organisation & Transformation (DOT), Finance (FIN), Global IT (GIT), Global Operations (GOP), Global Sourcing & Procurement (GSP), Human Resources (HRE), Legal (LGL) and Risk & Permanent Control (RPC), Treasury (TSY) divisions.

Since 1 January 2015, he also supervised Commercial Banking & Trade (CBT) and Global Commodities.

▶ Fixed compensation

Mr Paul de Leusse receives gross fixed annual compensation of €380,000. This compensation was decided by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 pursuant to a proposal by the Compensation Committees and has not changed since then.

▶ Variable compensation

Variable compensation awarded in 2015 for 2014

Pursuant to a proposal of the Compensation Committee made on 16 February 2015, the Board of Directors, at its meeting of 11 February 2015, approved the amount of Mr Paul de Leusse's variable compensation for financial year 2014.

Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 30 April 2014 were achieved, the amount of Mr Paul de Leusse's variable compensation for financial year 2014 was consequently set at €380,000.

This compensation breaks down as follows:

- €190,000, i.e. 50% of the variable compensation will be paid in March 2015;
- €38,000, i.e. 10% of the variable compensation is indexed to the Crédit Agricole S.A share price and will be paid in September 2015;
- €152,000, i.e. 40% of the variable compensation is paid in Crédit Agricole S.A shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives:
  - Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's operating income;
  - the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
  - Crédit Agricole S.A's societal performance, as measured by the FReD index.

Deferred and conditional variable compensation vested in 2014 (for prior financial years)

In 2014, Mr Paul de Leusse was not paid any deferred and conditional variable compensation in connection with his corporate office with Crédit Agricole CIB.

▶ Extraordinary compensation

Pursuant to a proposal of the Compensation Committee, at its meeting of 31 July 2014, Crédit Agricole CIB's Board of Directors awarded Paul de Leusse extraordinary compensation of €50,000.

▶ Severance payment [1]

In connection with his corporate office with Crédit Agricole CIB, Mr Paul de Leusse is not entitled to any severance pay that will or may be owed in the event his position is terminated or changed.

▶ Supplemental retirement pension plan

Supplemental retirement pension commitment: Under his employment contract with Crédit Agricole CIB, which has been suspended, Mr Paul de Leusse is the beneficiary of a supplemental retirement pension plan. Crédit Agricole CIB pays the contributions under this plan during the period he holds his corporate office with Crédit Agricole CIB.

This plan is a combined defined contributions plan and supplemental defined benefits plan. The rights under this plan are calculated after deducting the annuity earned under the defined contributions plan.

▶ In-kind benefits

The company provides Mr Paul de Leusse with a car. This benefit is treated as an in-kind benefit for tax purposes in accordance with the laws in force.

[1] As Deputy CEO, Mr de Leusse is not concerned by AFEP- MEDEF Code' recommendations on executive corporate officers employment contract termination' which apply only on Chairman, Chairman and CEO and CEO in companies with Board of Directors.

Mr Jacques Prost – Deputy Chief Executive Officer

▶ Table 1 - Compensation and options/shares granted to Crédit Agricole CIB executive corporate officers

Gross amounts (in euros)	2013	2014
Compensation awarded for the financial year [1]	262,153	844,051
Value of options awarded during the financial year [2]	0	0
Value of free shares granted during the financial year [2]	0	0

[1] The compensation shown in this table was awarded for the year indicated (as from 1 September 2013). The detailed tables below distinguish between compensation awarded for a particular year and compensation received during the year (as from 1 September 2013).
[2] No Crédit Agricole S.A stock purchase options were awarded to corporate officers in 2014. No free share granted plan has been set up within Crédit Agricole CIB.

▶ Table 2 - Table summarising gross compensation

Jacques Prost Deputy Chief Executive Officer (amounts in euros)	2013		2014	
	Amount awarded for 2013	Amount paid in 2013	Amount awarded for 2014	Amount paid in 2014
Fixed compensation	126,667	126,667	380,000	380,000
Non-deferred variable compensation	57,000	[2]	216,000	57,000
Variable compensation indexed to the value of the Crédit Agricole SA share	6,776	[2]	24,000	6,573
Deferred and conditional variable compensation	50,224	[2]	200,000	[3]
Extraordinary compensation	0	0	0	0
Directors' fees [1]	20,341	20,341	20,614	20,614
In-kind benefits	1,146	1,146	3,437	3,437
TOTAL	**262,153**	**148,153**	**844,051**	**467,624**

[1] Mr Jacques Prost received directors' fees from CA (Suisse) SA in connection with his office as director of that company.
[2] In 2013, Mr Jacques Prost was not paid any variable compensation in connection with his corporate office with Crédit Agricole CIB.
[3] In 2014, Mr Jacques Prost was not paid any deferred and conditional variable compensation in connection with his corporate office with Crédit Agricole CIB.

► Table 2 bis – Breakdown of deferred variable compensation

In 2014, Mr Jacques Prost was not paid any deferred and conditional variable compensation in connection with his corporate office with Crédit Agricole CIB.

Mr Jacques Prost has been Deputy Chief Executive Officer since 26 August 2013.

He supervises the Debt Optimisation & Distribution (DOD) and Distressed Assets (DAS) divisions, as well as the Global Markets Division (GMD).

Since 1 January 2015, he also supervises Structured Finance (SFI) division.

► Fixed compensation

Mr Jacques Prost received gross fixed annual compensation of €380,000. This compensation was decided by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 pursuant to a proposal by the Compensation Committees and had not changed for financial year 2014.

Due to the new scope of his supervisory, Mr Prost's fixed compensation was increased from €380,000 gross annual to €400,000 gross annual at 1 January 2015 by a decision adopted by the Crédit Agricole CIB Board of Directors on 11 December 2014.

► Variable compensation

Variable compensation awarded in 2015 for 2014

Pursuant to a proposal of the Compensation Committee made on 16 February 2015, the Board of Directors, at its meeting of 11 February 2015, approved the amount of Mr Jacques Prost's variable compensation for financial year 2014.

Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 30 April 2014 were achieved, the amount of Mr Jacques Prost's variable compensation for financial year 2014 was consequently set at €440,000.

This compensation breaks down as follows:

- €216,000, i.e. 49% of the variable compensation will be paid in March 2015;
- €24,000, i.e. 5.5% of the variable compensation is indexed to the Crédit Agricole S.A share price and will be paid in September 2015;
- €200,000, i.e. 45.5% of the variable compensation is paid in Crédit Agricole S.A shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives:
  - Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A's operating income;
  - the relative performance of Crédit Agricole S.A's share price compared with a composite index of European banks;
  - Crédit Agricole S.A's societal performance, as measured by the FReD index.

Deferred and conditional variable compensation vested in 2014 (for prior financial years)

In 2014, Mr Jacques Prost was not paid any deferred and conditional variable compensation in connection with his corporate office with Crédit Agricole CIB.

► Extraordinary compensation

No extraordinary compensation was awarded or paid for financial year 2014.

► Severance payment [1]

In connection with his corporate office with Crédit Agricole CIB, Mr Jacques Prost is not entitled to any severance pay that will or may be owed in the event his position is terminated or changed.

► Supplemental retirement pension plan

Supplemental retirement pension commitment: Under his employment contract with Crédit Agricole S.A, which has been suspended, Mr Jacques Prost is the beneficiary of a supplemental retirement pension plan. Crédit Agricole CIB pays the contributions under this plan during the period he holds his corporate office with Crédit Agricole CIB.

This plan is a combined defined contributions plan and supplemental defined benefits plan. The rights under this plan are calculated after deducting the annuity earned under the defined contributions plan.

► In-kind benefits

The company provides Mr Jacques Prost with a car. This benefit is treated as an in-kind benefit for tax purposes in accordance with the laws in force.

[1] As Deputy CEO, Mr Prost is not concerned by AFEP- MEDEF Code' recommendations on executive corporate officers employment contract termination' which apply only on Chairman, Chairman and CEO and CEO in companies with Board of Directors.

Other compensation paid by Crédit Agricole S.A. in connection with the offices held in that company

Other compensation paid by Crédit Agricole S.A. in connection with the office of chief executive officer of that company

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

▶ Table 1 - Compensation and options/shares granted to Mr Jean-Paul Chifflet, Chief Executive Officer of Crédit Agricole S.A.

Gross amounts (in euros)	2013	2014
Compensation awarded for the financial year [1]	2,131,289	2,048,569
Value of options awarded during the financial year [2]	0	0
Value of free shares granted during the financial year [2]	0	0

[1] The compensation shown in this table was awarded for his office as Chief Executive Officer of Crédit Agricole S.A for the year indicated. The detailed tables below distinguish between compensation awarded for a particular year and compensation received during the year.

[2] No Crédit Agricole S.A stock purchase options were awarded to corporate officers in 2014. No free share granted plan has been set up within Crédit Agricole S.A. nor Crédit Agricole CIB.

Table 2 - Table summarising gross compensation (amount in euros)

Jean-Paul Chifflet Chairman of the Board of Directors - Compensation paid to Mr Jean-Paul Chifflet by Crédit Agricole S.A. in connection with his position as Chief Executive Officer of Crédit Agricole S.A. - Directors' fees paid in connection with his position as Chairman of the Board of Directors of Crédit Agricole CIB and as director of Crédit Agricole (Suisse) S.A. (amounts in euros)	2013		2014	
	Amount awarded for 2013	Amount paid in 2013	Amount awarded for 2014	Amount paid in 2014
Fixed compensation	900,000	900,000	900,000	900,000
Non-deferred variable compensation	321,000	135,000	296,100	321,000
Variable compensation indexed to the value of the Crédit Agricole SA share	107,000	50,400	98,700	103,790
Deferred and conditional variable compensation	642,000	271,803	592,200	736,837
Extraordinary compensation	0	0	0	0
Directors' fees [1]	48,000	48,000	59,614	59,614
In-kind benefits	113,289	113,289	101,955	101,955
TOTAL	**2,131,289**	**1,518,492**	**2,048,569**	**2,223,196**

[1] The following amounts have been deducted from the sums owed to the individual French resident beneficiaries: income tax (21%) and social security contributions (15.50%) advances.

▶ Table 2 bis – Breakdown of deferred variable compensation

	Total number of shares granted [1]	2012		2013		2014	
		Number of shares granted [1]	Number of shares acquired [2]	Number of shares granted [1]	Number of shares acquired [3]	Number of shares granted [1]	Number of shares acquired [4]
Deferred and conditional variable compensation awarded in 2011 for 2010	46,571	15,523	10,004	15,523	10,877	15,525	15,525
Deferred and conditional variable compensation awarded in 2012 for 2011	110,205			36,735	27,104	36,735	36,735
Deferred and conditional variable compensation awarded in 2013 for 2012	37,605					12,535	12,535

[1] The value of the share when awarded was €11.81 for deferred and conditional variable compensation awarded in 2011 for 2010 , €4.90 for deferred and conditional variable compensation awarded in 2012 for 2011 and €7.18 for deferred and conditional variable compensation awarded in 2013 for 2012.

[2] The value of the share at the time of vesting was €5.16 for deferred and conditional variable compensation awarded in 2011 for 2010.

[3] The value of the share at the time of vesting was €7 for deferred and conditional variable compensation awarded in 2011 for 2010 and €7.22 for deferred and conditional variable compensation awarded in 2012 for 2011.

[4] The value of the share when awarded was €11.33 for deferred and conditional variable compensation awarded in 2011 for 2010 , €11.39 for deferred and conditional variable compensation awarded in 2012 for 2011 and €11.39 for deferred and conditional variable compensation awarded in 2013 for 2012.

Mr Jean-Paul Chifflet has been Chairman of the Crédit Agricole CIB Board of Directors since 23 February 2010.

Components of the compensation of Mr Jean-Paul Chifflet in connection with his office as Chief Executive Officer of Crédit Agricole S.A.

► Fixed compensation

Mr Jean-Paul Chifflet receives fixed annual compensation of €900,000. This compensation was decided by the Crédit Agricole S.A Board of Directors at its meeting of 24 February 2010, pursuant to a proposal of its Compensation Committee.

► Variable compensation

Variable compensation awarded in 2015 for 2014

Pursuant to a proposal of the Compensation Committee made on 17 February 2015, the Crédit Agricole S.A. Board of Directors, at its meeting of 10 February 2015, approved the amount of Mr Jean-Paul Chifflet's variable compensation for financial year 2014.

Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 6 May 2014 were achieved, the amount of Mr Jean-Paul Chifflet's variable compensation for financial year 2014 was consequently set at €987,000.

This compensation breaks down as follows:

- €296,000, i.e. 30% of the variable compensation will be paid in March 2015;
- €98,700, i.e. 10% of the variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2015;
- €592,200, i.e. 60% of the variable compensation is paid in Crédit Agricole S.A. shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives:
  - Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income;
  - the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks;
  - Crédit Agricole S.A.'s societal performance, as measured by the FReD index.

Deferred and conditional variable compensation paid in 2014 (for prior financial years)

As deferred and conditional variable compensation for prior years, 64,795 Crédit Agricole S.A. shares vested in favour of Mr Jean-Paul Chifflet for an amount of €736,837 as at the vesting date. This amount includes:

- the first year's payment of deferred variable compensation awarded in 2013 for 2012. For this tranche, 12,535 shares were granted, with a share price of €7.18 on the date they were granted;
- the second year's payment of deferred variable compensation awarded in 2012 for 2011. For this tranche, 36,735 shares were granted, with a share price of €4.90 on the date they were granted.
- the third year's payment of deferred variable compensation awarded in 2011 for 2010. For this tranche, 15,525 shares were granted, with a share price of €11.81 on the date they were granted.

Vesting was conditioned on the achievement of three performance objectives:

- Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income;
- the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks;
- Crédit Agricole S.A's societal performance, as measured by the FReD index.

Based on the performances achieved with respect to these three criteria, the final vesting rates were as follows:

- a vesting rate of 100% for the variable compensation tranche awarded in 2010.
- a vesting rate of 100% for the variable compensation tranche awarded in 2011.
- a vesting rate of 100% for the variable compensation tranche awarded in 2012

Accordingly, shares that finally vested are equal to those initially allocated for this exercise.

► Extraordinary compensation

No extraordinary compensation was awarded or paid for financial year 2014.

► Directors' fees

Mr Jean-Paul Chifflet received directors' fees in connection with his offices as Chairman of the Board of Directors of Crédit Agricole CIB and as director of Crédit Agricole (Suisse) SA.

► Severance payment

The following commitments were made by Crédit Agricole S.A, but Crédit Agricole CIB will incur no financial obligation in connection therewith:

Mr Jean-Paul Chifflet is entitled to severance pay if his position is terminated at the initiative of Crédit Agricole S.A, subject to the provisions approved by the general meeting of 19 May 2010. In the event his position as Chief Executive Officer ends, regardless of the reason, Mr Chifflet may be bound by a covenant not to compete for a period of one year from the end of his position, as approved by the general meeting of 19 May 2010.

If Crédit Agricole S.A. terminates the Chief Executive Officer's term of office and due to a change in control or strategy, he will receive severance payment subject to performance conditions decided by the Board of Directors. This payment will be determined on the basis of twice the total gross annual compensation received for the calendar year preceding the year of termination of his term of office. This will be on a declining-balance basis of 20% per annum from 1 January 2010. Performance-related criteria are budgetary criteria linked to the performance of Crédit Agricole S.A. business lines, taking into account internal growth in activities and the cost of risk, hence:

- Revenues from operational business lines (excluding corporate center);
- Operating income from operational business lines (excluding corporate center).

In accordance with the recommendations of the AFEP/ MEDEF Code, when a severance payment is made, the Chief Executive Officer may not claim his retirement rights before a 12-month period has elapsed. This severance payment includes any other compensation, particularly relating to a non-competition clause, where applicable.

▶ Supplemental retirement pension plan

Mr Jean-Paul Chifflet is a beneficiary of the supplemental retirement pension plan for Crédit Agricole senior management, which supplements the collective and mandatory retirement pension and health plans.

This plan is a combined defined contributions plan and supplemental defined benefits plan. The rights under this plan are calculated after deducting the annuity earned under the defined contributions plan.

▶ In-kind benefits

The company provides Mr Jean-Paul Chifflet with accommodation. This benefit is treated as an in-kind benefit for tax purposes in accordance with the laws in force.

Other compensation paid by Credit Agricole S.A in connection with the office of deputy chief executive officer of that company

Mr Michel Mathieu – Crédit Agricole CIB Director

▶ Table 1 - Compensation and options/shares granted to Mr Michel Mathieu, Deputy Chief Executive Officer of Crédit Agricole S.A.

Gross amounts (in euros)	2013	2014
Compensation awarded for the financial year [1]	1,084,157	1,034,768
Value of options awarded during the financial year [2]	0	0
Value of free shares granted during the financial year [2]	0	0

[1] The compensation shown in this table was awarded in connection with his office as Deputy Chief Executive Officer of Crédit Agricole S.A. and for the year indicated. The detailed tables below distinguish between compensation awarded for a particular year and compensation received during the year.
[2] No Crédit Agricole S.A stock purchase options were awarded to corporate officers in 2014. No free share granted plan has been set up within Crédit Agricole S.A. or Crédit Agricole CIB.

▶ Table 2 - Table summarising gross compensation

Michel Mathieu Director - Compensation paid to Mr Michel Mathieu by Crédit Agricole SA in connection with his office as Deputy Chief Executive Officer of Crédit Agricole SA - Directors' fees paid our company in connection with his office as Director of Crédit Agricole CIB (amounts in euros)	2013		2014	
	Amount awarded for 2013	Amount paid in 2013	Amount awarded for 2014	Amount paid in 2014
Fixed compensation	500,000	500,000	500,000	500,000
Non-deferred variable compensation	144,000	90,000	131,700	144,000
Variable compensation indexed to the value of the Crédit Agricole SA share	48,000	33,600	43,900	46,560
Deferred and conditional variable compensation	288,000	150,172	263,400	423,261
Extraordinary compensation	0	0	0	0
Directors' fees [1]	24,000	24,000	15,000	15,000
In-kind benefits	80,157	80,157	80,768	80,768
TOTAL	**1,084,157**	**877,929**	**1,034,768**	**1,209,589**

[1] The following amounts have been deducted from the sums owed to the individual French resident beneficiaries: income tax (21%) and social security contributions (15.50%) advances.

▶ Table 2 bis – Breakdown of deferred variable compensation

	Total number of shares granted [1]	2012		2013		2014	
		Number of shares granted [1]	Number of shares acquired [2]	Number of shares granted [1]	Number of shares acquired [3]	Number of shares granted [1]	Number of shares acquired [4]
Deferred and conditional variable compensation awarded in 2011 for 2010	25,360	8,454	5,448	8,454	5,924	8,452	8,452
Deferred and conditional variable compensation awarded in 2012 for 2011	61,225			20,409	15,058	20,409	20,409
Deferred and conditional variable compensation awarded in 2013 for 2012	25,070					8,357	8,357

[1] The value of the share when awarded was €11.81 for deferred and conditional variable compensation awarded in 2011 for 2010, €4.90 for deferred and conditional variable compensation awarded in 2012 for 2011 and €7.18 for deferred and conditional variable compensation awarded in 2013 for 2012.
[2] The value of the share at the time of vesting was €5.16 for deferred and conditional variable compensation awarded in 2011 for 2010.
[3] The value of the share at the time of vesting was €7 for deferred and conditional variable compensation awarded in 2011 for 2010 and €7.22 for deferred and conditional variable compensation awarded in 2012 for 2011.
[4] The value of the share when awarded was €11.33 for deferred and conditional variable compensation awarded in 2011 for 2010, €11.39 for deferred and conditional variable compensation awarded in 2012 for 2011 and €11.39 for deferred and conditional variable compensation awarded in 2013 for 2012.

Mr Michel Mathieu has been a Crédit Agricole CIB Director since 9 May 2012.

Components of the compensation of Mr Michel Mathieu in connection with his office as Deputy Chief Executive Officer of Crédit Agricole S.A.

► Fixed compensation

Mr Michel Mathieu receives fixed annual compensation of €500,000. This compensation was decided by the Crédit Agricole S.A Board of Directors at its meeting of 24 February 2010, pursuant to a proposal of its Compensation Committee and has not changed since then.

► Variable compensation

Variable compensation awarded in 2015 for 2014

Pursuant to a proposal of the Compensation Committee made on 17 February 2015, the Board of Directors, at its meeting of 10 February 2015, approved the amount of Mr Michel Mathieu's variable compensation for financial year 2014.

Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 6 May 2014 were achieved, the amount of Mr Michel Mathieu's variable compensation for financial year 2014 was consequently set at €439,000.

This compensation breaks down as follows:

- €131,700, i.e. 30% of the variable compensation will be paid in March 2015;
- €43,900, i.e. 10% of the variable compensation is indexed to the Crédit Agricole S.A share price and will be paid in September 2015;
- €263,400, i.e. 60% of the variable compensation is paid in Crédit Agricole S.A. shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives:
  - Crédit Agricole S.A.'s intrinsic financial performance, measured by increases in Crédit Agricole S.A's operating income;
  - the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks;
  - Crédit Agricole S.A.'s societal performance, as measured by the FReD index.

Deferred and conditional variable compensation paid in 2014 (for prior financial years)

As deferred and conditional variable compensation for prior years, 37,218 Crédit Agricole S.A. shares vested in favour of Mr Michel Mathieu for an amount equal to €423,261 on the vesting date.

This amount includes:

- the first year's payment of deferred variable compensation awarded in 2013 for 2012. For this tranche, 8,357 shares were granted, with a share price of €7.18 on the date they were granted;
- the second year's payment of deferred variable compensation awarded in 2012 for 2011. For this tranche, 20,409 shares were granted, with a share price of €4.90 on the date they were granted;
- the third year's payment of deferred variable compensation awarded in 2011 for 2010. For this tranche, 8,452 shares were granted, with a share price of €11.81 on the date they were granted.

Vesting was conditioned on the achievement of three performance objectives:

- Crédit Agricole S.A's intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income;
- the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks;
- Crédit Agricole S.A's societal performance, as measured by the FReD index.

Based on the performances achieved with respect to these three criteria, the final vesting rates were as follows:

- a vesting rate of 100% for the variable compensation tranche awarded in 2010;
- a vesting rate of 100% for the variable compensation tranche awarded in 2011.
- a vesting rate of 100% for the variable compensation tranche awarded in 2012.

Accordingly, shares that finally vested are equal to those initially allocated for this exercise.

► Extraordinary compensation

No extraordinary compensation was awarded or paid for financial year 2014.

► Directors' fees

In connection with his office as a Crédit Agricole CIB Director, Mr Michel Mathieu received directors' fees.

► Severance payment

No severance pay was paid to Mr Michel Mathieu during the financial year.
The following commitments were made by Crédit Agricole S.A, but Crédit Agricole CIB will incur no financial obligation in connection therewith:
In accordance with the provisions approved by the general meeting of 19 May 2010, if Mr Michel Mathieu leaves office, his employment contract will be reactivated under compensation terms equivalent to the average annual compensation paid to the members of Crédit Agricole S.A's Executive Committee, not including corporate officers, during the 12 months immediately prior to the date he leaves office. The company has undertaken to offer him at least two positions equivalent to the positions of the members of Crédit Agricole S.A's Executive Committee.
If his employment contract is terminated, Mr Michel Mathieu will be entitled to severance pay calculated as an amount equal to two times the sum of gross annual compensation received during the 12 months prior to the termination of his employment (excluding in-kind benefits), including all other types of compensation, in particular severance pay pursuant to collective bargaining agreements and any compensation owed in consideration for a covenant not to compete. If he is entitled to claim a full retirement pension at such time, no severance pay will be owed.

► Supplemental retirement pension plan

Mr Michel Mathieu is a beneficiary of the supplemental retirement pension plan for Crédit Agricole senior management, which supplements the collective and mandatory retirement pension and health plans.
This plan is a combined defined contributions plan and supplemental defined benefits plan. The rights under this plan are calculated after deducting the annuity earned under the defined contributions plan.

► In-kind benefits

The company provides Mr Michel Mathieu with accommodation. This benefit is treated as an in-kind benefit for tax purposes in accordance with the laws in force.

TABLE 3 – MEMBERS OF CREDIT AGRICOLE CIB BOARD OF DIRECTORS RECEIVED DIRECTORS'FEES

TABLE 4 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED IN FINANCIAL YEAR 2014 TO EXECUTIVE CORPORATE OFFICERS BY CRÉDIT AGRICOLE CIB

No options were granted to executive corporate officers in 2014.

TABLE 5 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED IN FINANCIAL YEAR 2014 BY EXECUTIVE CORPORATE OFFICERS

Executive corporate officers did not exercise any options to purchase Crédit Agricole S.A shares in financial year 2014.

TABLE 6 – FREE SHARES GRANTED IN FINANCIAL YEAR 2014 TO EXECUTIVE CORPORATE OFFICERS

Crédit Agricole CIB has not put in place any free shares granted plans.

TABLE 7 – FREE SHARES GRANTED THAT BECAME AVAILABLE FOR EXECUTIVE CORPORATE OFFICERS DURING FINANCIAL YEAR 2014

Not applicable. Crédit Agricole CIB has not put in place any free share granted plans.

TABLE 8 – HISTORY OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED

Not applicable.

TABLE 9 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TOP TEN EMPLOYEES EXCLUDING CORPORATE OFFICERS, AND OPTIONS EXERCISED BY THEM IN 2014

Not applicable. Crédit Agricole CIB did not grant any options in 2014 and no options were exercised in 2014.

Table 10 – Employment Contracts / Supplemental Retirement Pension Plans / Severance Payment / Non Competition Clause

Additional information on the Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officers in office as at 31 December 2014.

Executive corporate officers	Employment contract		Supplemental retirement pension plan		Compensation or benefits that will or may be owed in the event the officer's position is terminated or changed		Compensation in connection with a non competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean-Paul Chifflet Chairman of the Board of Directors Term of office begun on: 23 February 2010		✓	✓		✓ with Crédit Agricole S.A.		✓ with Crédit Agricole S.A.	
Jean-Yves Hocher Chief Executive Officer Term of office begun on: 1 December 2010	✓ with Crédit Agricole S.A. (Contract suspended)		✓		✓ with Crédit Agricole S.A.		✓ with Crédit Agricole S.A.	
Régis Monfront Deputy Chief Executive Officer Term of office begun on: 15 December 2011	✓ with Crédit Agricole CIB (Contract suspended)		✓			✓		✓
Paul de Leusse Deputy Chief Executive Officer Term of office begun on: 26 August 2013	✓ with Crédit Agricole S.A. (Contract suspended)		✓			✓		✓
Jacques Prost Deputy Chief Executive Officer Term of office begun on: 26 August 2013	✓ with Crédit Agricole S.A. (Contract suspended)		✓			✓		✓

■ Components of compensation owed or granted for financial year 2014 to each of the company's executive corporate officers and subject to shareholder approval

In accordance with the recommendations of the AFEP-MEDEF Code, which is Crédit Agricole CIB's reference corporate governance code, pursuant to Article L. 225-37 of the French Commercial Code (Code du Commerce) and the Application Guide to the AFEP-MEDEF Code of January 2014, the following components of compensation owed or granted for the past financial year to each executive corporate officer of Crédit Agricole CIB must be submitted for the approval of the shareholders:

- the fixed portion
- the annual variable portion and, if applicable, the multi-annual variable portion, together with the objectives used to determine this variable portion
- extraordinary compensation
- stock options, free shares granted and any other long-term component of compensation
- hiring bonuses and severance pay
- the supplemental retirement pension plan
- benefits of all types
  - It is proposed that the general meeting of 30 April 2015 vote on the components of compensation owed or granted for financial year 2014 to each of the following Crédit Agricole CIB executive corporate officers:
  - Mr Jean-Yves Hocher
  - Mr Régis Monfront
  - Mr Paul de Leusse
  - Mr Jacques Prost
  - Mr Jean-Paul Chifflet

■ Components of compensation owed or granted for financial year 2014 to Mr Jean-Yves Hocher, Chief Executive Officer, and subject to shareholder approval

Components of compensation owed or awarded during the last financial year and subject to shareholder approval

	Amounts or accounting value	Description
Fixed compensation	500,000 €	Mr Jean-Yves Hocher receives gross fixed annual remuneration of €500,000. This remuneration was decided by the Crédit Agricole S.A Board of Directors at its meeting of 13 November 2008 and the Crédit Agricole CIB Board of Directors at its meeting of 12 January 2011 pursuant to a proposal by their Compensation Committees and has not changed since then.
Non-deferred variable compensation	137,100 €	The Crédit Agricole CIB Board of Directors, at its meeting of 16 February 2015, and the Crédit Agricole S.A. Board of Directors, at its meeting of 17 February 2015, pursuant to a proposal of their compensation Committees, approved the amount of Mr Jean-Yves Hocher's variable compensation for financial year 2014. Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 30 April 2014 and Crédit Agricole S.A. Board of Directors on 6 May 2014 were achieved, the amount of Mr Jean-Yves Hocher's variable compensation for financial year 2014 was consequently set at €457,000. €137,500, i.e. 30% of variable compensation will be paid in March 2015 .
Variable compensation indexed to the Crédit Agricole S.A. share price	45,700 €	€45,000, i.e. 10% of variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2015
Deferred and conditional variable compensation	274,200 €	The deferred portion of variable compensation totals €274,200, i.e. 60% of total variable compensation awarded for 2014. This deferred compensation is paid in Crédit Agricole S.A. shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives: • Crédit Agricole S.A.'s intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income; • the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks; • Crédit Agricole S.A.'s societal performance, as measured by the FReD index.
Extraordinary compensation	No payment was made for 2014	Mr Jean-Yves Hocher did not receive any extraordinary compensation for 2014.
Stock options, free shares grantedor any other long-term component of compensation	No payment was made for 2014	Mr Jean-Yves Hocher was not granted any stock options or free shares granted or any other component of long-term compensation for 2014.
Directors' fees	64,076 €	Mr Jean-Yves Hocher received director's fees from Crédit Agricole Indosuez Private Banking and Bank Saudi Fransi in connection with his office as a director of that company.
In-kind benefits	60,505 €	The company paid in-kind benefits in the form of accommodation.

Components of compensation owed or awarded during the past financial year on which a general meeting will vote or has voted in accordance with the procedure governing regulated agreements and commitments *(see desciption page 104 and 105)*

	Amounts	Description
Severance payment	No payment was made for 2014	Mr Jean-Yves Hocher is entitled to severance pay in the event his employment contract is terminated at the initiative of Crédit Agricole S.A.. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole S.A. Board of Directors at its meeting of 19 July 2011 and approved by the general meeting of Crédit Agricole S.A. shareholders of 22 May 2012 and the general meeting of Crédit Agricole CIB shareholders of 9 May 2012.
Compensation for non competition clause	No payment was made for 2014	In the event his position as Deputy Chief Executive Officer of Crédit Agricole S.A. ends, regardless of the reason, Mr Jean-Yves Hocher may be bound by a covenant not to compete for a period of one year from the date his position ends. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole S.A. Board of Directors at its meeting of 24 February 2010 and the Crédit Agricole CIB Board of Directors at its meeting of 12 January 2011, and approved by the general meeting of Crédit Agricole S.A. shareholders of 19 May 2010 and the general meeting of Crédit Agricole CIB shareholders of 11 May 2011.
Supplemental retirement pension plan	No payment was made for 2014	Mr Jean-Yves Hocher is a beneficiary of the supplemental retirement pension plan for Crédit Agricole senior management, which supplements the collective and mandatory retirement pension and health plans. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole SA Board of Directors at its meeting of 3 March 2009 and the Crédit Agricole CIB Board of Directors at its meeting of 12 January 2011, and approved by the general meeting of Crédit Agricole S.A. shareholders of 19 May 2009 and the general meeting of Crédit Agricole CIB shareholders of 11 May 2011.

■ Components of compensation owed or granted for financial year 2014 to Mr Régis Monfront, Deputy Chief Executive Officer, and subject to shareholder approval

Components of compensation owed or awarded during the last financial year and subject to shareholder approval

	Amounts or accounting value	Description
Fixed compensation	380,000 €	Mr Régis Monfront receives gross fixed annual remuneration of €380,000. This remuneration was decided by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 pursuant to a proposal by the Compensation Committees and has not changed since then.
Non-deferred variable compensation	142,500 €	The Crédit Agricole CIB Board of Directors, at its meeting of 16 February 2015, and the Crédit Agricole S.A. Board of Directors, at its meeting of 17 February 2015, pursuant to a proposal of their compensation Committees, approved the amount of Mr Régis Monfront's variable compensation for financial year 2014. Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 30 April 2014 were achieved, the amount of Mr Régis Monfront's variable compensation for financial year 2014 was consequently set at €285,000. €142,500, i.e. 50% of variable compensation will be paid in March 2015
Variable compensation indexed to the Crédit Agricole S.A. share price	28,500 €	€28,500, i.e. 10% of variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2015
Deferred and conditional variable compensation	114,000 €	The deferred portion of variable compensation totals €114,000, i.e. 40% of total variable compensation awarded for 2014. This deferred compensation is paid in Crédit Agricole S.A. shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives: - Crédit Agricole S.A.'s intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income; - the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks; - Crédit Agricole S.A.'s societal performance, as measured by the FReD index.»
Extraordinary compensation	No payment was made for 2014	Mr Régis Monfront did not receive any extraordinary compensation for 2014.
Stock options, free shares grantedor any other long-term component of compensation	No payment was made for 2014	Mr Régis Monfront was not granted any stock options or free shares granted or any other component of long-term compensation for 2014.
Directors' fees	0 €	Mr Régis Monfront did not receive any directors' fees for 2014.
In-kind benefits	3,665 €	The company paid in-kind benefits in the form of a car.

Components of compensation owed or awarded during the past financial year on which a general meeting will vote or has voted in accordance with the procedure governing regulated agreements and commitments *(see desciption page 104 and 105)*

	Amounts	Description
Severance payment	No payment was made for 2014	In connection with his corporate office with Crédit Agricole CIB, Mr Régis Monfront is not entitled to any severance pay that will or may be owed in the event his position is terminated or changed.
Compensation for non competition clause	No payment was made for 2014	Mr Régis Monfront is not subject to any covenant not to compete in connection with his corporate office with Crédit Agricole CIB.
Supplemental retirement pension plan	No payment was made for 2014	Mr Régis Monfront is a beneficiary of the supplemental retirement pension plan, which supplements the collective and mandatory retirement pension and health plans. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole CIB Board of Directors at its meeting of 21 February 2012 and approved by the general meeting of 9 May 2012.

■ Components of compensation owed or granted for financial year 2014 to Mr Paul de Leusse, Deputy Chief Executive Officer, and subject to shareholder approval

Components of compensation owed or awarded during the last financial year and subject to shareholder approval.

	Amounts or accounting value	Description
Fixed compensation	380,000 €	Mr Paul de Leusse receives gross fixed annual remuneration of €380,000. This remuneration was decided by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 pursuant to a proposal by the Compensation Committees and has not changed since then.
Non-deferred variable compensation	190,000 €	The Crédit Agricole CIB Board of Directors, at its meeting of 16 February 2015, and the Crédit Agricole S.A. Board of Directors, at its meeting of 17 February 2015, pursuant to a proposal of their compensation Committees, approved the amount of Mr Régis Monfront's variable compensation for financial year 2014. Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 30 April 2014 were achieved, the amount of Mr Régis Monfront's variable compensation for financial year 2014 was consequently set at €380,000. €190,000, i.e. 50% of variable compensation will be paid in March 2015
Variable compensation indexed to the Crédit Agricole S.A. share price	38,000 €	€38,000, i.e. 10% of variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2015
Deferred and conditional variable compensation	152,000 €	The deferred portion of variable compensation totals €152,000, i.e. 40% of total variable compensation awarded for 2014. This deferred compensation is paid in Crédit Agricole S.A. shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives: - Crédit Agricole S.A.'s intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income; - the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks; - Crédit Agricole S.A.'s societal performance, as measured by the FReD index.
Extraordinary compensation	50,000 €	Pursuant to a proposal of the Compensation Committee, at its meeting of 31 July 2014, Crédit Agricole CIB's Board of Directors awarded Paul de Leusse extraordinary remuneration of €50,000.
Stock options, free shares grantedor any other long-term component of compensation	No payment was made for 2014	Mr Paul de Leusse was not granted any stock options or free shares granted or any other component of long-term compensation for 2014.
Directors' fees	14,514 €	Mr Paul de Leusse received directors' fees from UBAF in connection with his office as director of that company.
In-kind benefits	5,400 €	The company paid in-kind benefits in the form of a car.

Components of compensation owed or awarded during the past financial year on which a general meeting will vote or has voted in accordance with the procedure governing regulated agreements and commitments *(description pages 104 et 105)*

	Amounts	Description
Severance payment	No payment was made for 2014	In connection with his corporate office with Crédit Agricole CIB, Mr Paul de Leusse is not entitled to any severance pay that is or may be owed in the event his position is terminated or changed.
Compensation for non competition clause	No payment was made for 2014	Mr Paul de Leusse is not subject to any covenant not to compete in connection with his corporate office with Crédit Agricole CIB.
Supplemental retirement pension plan	No payment was made for 2014	Mr Paul de Leusse is a beneficiary of the supplemental retirement pension plan for Crédit Agricole senior management, which supplements the collective and mandatory retirement pension and health plans. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 and will be put to the general meeting of 30 April 2014 for approval.

■ Components of compensation owed or granted for financial year 2014 to Mr Jacques Prost, Deputy Chief Executive Officer, and subject to shareholder approval

Components of compensation owed or awarded during the last financial year and subject to shareholder approval

	Amounts or accounting value	Description
Fixed compensation	380,000 €	Mr Jacques Prost received gross fixed annual remuneration of €380,000. This remuneration was decided by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 pursuant to a proposal by the Compensation Committees and had not changed for financial year 2014. Due to the new scope of his supervisory, Mr Prost's fixed remuneration was increased from €380,000 gross annual to €400,000 gross annual at 1 January 2015 by a decision adopted by the Crédit Agricole CIB Board of Directors on 11 December 2014.
Non-deferred variable compensation	216,000 €	The Crédit Agricole CIB Board of Directors, at its meeting of 16 February 2015, and the Crédit Agricole S.A. Board of Directors, at its meeting of 17 February 2015, pursuant to a proposal of their compensation Committees, approved the amount of Mr Jacques Prost's variable compensation for financial year 2014. Because the financial and non-financial objectives that had been set by the Crédit Agricole CIB Board of Directors on 30 April 2014 were achieved, the amount of Mr Jcques Prost's variable compensation for financial year 2014 was consequently set at €440,000. €216,000, i.e. average 49% of variable compensation will be paid in March 2015.
Variable compensation indexed to the Crédit Agricole S.A. share price	24,000 €	€24,000, i.e. 5.5% of variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2015
Deferred and conditional variable compensation	200,000 €	The deferred portion of variable compensation totals €200,000, i.e. 45.5% of total variable compensation awarded for 2014. This deferred compensation is paid in Crédit Agricole S.A. shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives: - Crédit Agricole S.A.'s intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income; - the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks; - Crédit Agricole S.A.'s societal performance, as measured by the FReD index.
Extraordinary compensation	No payment was made for 2014	Mr Jacques Prost did not receive any extraordinary compensation for 2014.
Stock options, free shares grantedor any other long-term component of compensation	No payment was made for 2014	Mr Jacques Prost was not granted any stock options or free shares granted or any other component of long-term compensation for 2014.
Directors' fees	20,614 €	Mr Jacques Prost received directors' fees from CA (Suisse) SA in connection with his office as director of that company.
In-kind benefits	3,437 €	The company paid in-kind benefits in the form of a car.

Components of compensation owed or awarded during the past financial year on which a general meeting will vote or has voted in accordance with the procedure governing regulated agreements and commitments *(see desciption page 113 and 114*

	Amounts	Description
Severance payment	No payment was made for 2014	In connection with his corporate office with Crédit Agricole CIB, Mr Jacques Prost is not entitled to any severance pay that is or may be owed in the event his position is terminated or changed.
Compensation for non competition clause	No payment was made for 2014	Mr Jacques Prost is not subject to any covenant not to compete in connection with his corporate office with Crédit Agricole CIB.
Supplemental retirement pension plan	No payment was made for 2014	Mr Jacques Prost is a beneficiary of the supplemental retirement pension plan for Crédit Agricole senior management, which supplements the collective and mandatory retirement pension and health plans. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole CIB Board of Directors at its meeting of 1 August 2013 and will be put to the general meeting of 30 April 2014 for approval.

■ Components of compensation owed or granted for financial year 2014 to Monsieur Jean-Paul Chifflet, Chairman of the Board of Directors, and subject to shareholder approval

Components of compensation owed or awarded during the last financial year and subject to shareholder approval.

	Amounts or accounting value	Description
Fixed compensation	900,000 €	Mr Jean-Paul Chifflet receives fixed annual remuneration of €900,000. This remuneration was decided by the Crédit Agricole S.A Board of Directors at its meeting of 24 February 2010, pursuant to a proposal of its Compensation Committee.
Non-deferred variable compensation	296,100 €	The Crédit Agricole S.A. Board of Directors, at its meeting of 17 February 2015, pursuant to a proposal of their compensation Committees, at its meeting of 10 February 2015, approved the amount of Mr Jean-Paul Chifflet's variable compensation for financial year 2014. Because the financial and non-financial objectives that had been set by the Crédit Agricole S.A. Board of Directors on 6 May 2014 were achieved, the amount of Mr Jean-Paul Chifflet's variable compensation for financial year 2014 was consequently set at €987,000. €296,100, i.e. 30% of variable compensation will be paid in March 2015
Variable compensation indexed to the Crédit Agricole S.A. share price	98,700 €	€98,700, i.e. 10% of variable compensation is indexed to the Crédit Agricole S.A. share price and will be paid in September 2015
Deferred and conditional variable compensation	592,200 €	The deferred portion of variable compensation totals €592,000, i.e. 60% of total variable compensation awarded for 2014. This deferred compensation is paid in Crédit Agricole S.A. shares, permanent vesting of which is deferred progressively over three years and conditioned on the achievement of three performance objectives: - Crédit Agricole S.A.'s intrinsic financial performance, measured by increases in Crédit Agricole S.A.'s operating income; - the relative performance of Crédit Agricole S.A.'s share price compared with a composite index of European banks; - Crédit Agricole S.A.'s societal performance, as measured by the FReD index.
Extraordinary compensation	No payment was made for 2014	Mr Jean-Paul Chifflet did not receive any extraordinary compensation for 2014.
Stock options, free shares grantedor any other long-term component of compensation	No payment was made for 2014	Mr Jean-Paul Chifflet was not granted any stock options or free shares granted or any other component of long-term compensation for 2014.
Directors' fees	59,614 €	Mr Jean-Paul Chifflet received directors' fees in connection with his offices as Chairman of the Board of Directors of Crédit Agricole CIB and as director of Crédit Agricole (Suisse) SA.
In-kind benefits	101,955 €	The company paid in-kind benefits in the form of accommodation.

Components of compensation owed or awarded during the past financial year on which a general meeting will vote or has voted in accordance with the procedure governing regulated agreements and commitments *(see desciption page 113 and 114)*

	Amounts	Description
Severance payment	No payment was made for 2014	Mr Jean-Paul Chifflet is entitled to severance pay in the event his employment contract is terminated at the initiative of Crédit Agricole SA. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole SA Board of Directors at its meeting of 24 February 2010 and approved by the general meeting of 19 May 2010 (11th resolution).
Compensation for non competition clause	No payment was made for 2014	In the event his position as Chief Executive Officer of Crédit Agricole SA ends, regardless of the reason, Mr Jean-Paul Chifflet may be bound by a covenant not to compete for a period of one year from the date his position ends. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole SA Board of Directors at its meeting of 24 February 2010 and approved by the general meeting of 19 May 2010 (11th resolution).
Supplemental retirement pension plan	No payment was made for 2014	Mr Jean-Paul Chifflet is a beneficiary of the supplemental retirement pension plan for Crédit Agricole senior management, which supplements the collective and mandatory retirement pension and health plans. In accordance with the procedure governing regulated agreements and commitments, this commitment was authorised by the Crédit Agricole SA Board of Directors at its meeting of 24 February 2010 and approved by the general meeting of 19 May 2010 (11th resolution).

DIRECTORS' FEES – CRÉDIT AGRICOLE CIB BOARD OF DIRECTORS

Directors' fees in 2014

The amounts of directors' fees received by the members of the Company's Board of Directors in connection with the offices they held in 2014 with Crédit Agricole Corporate and Investment Bank are shown below.

The amounts of directors' fees paid by Crédit Agricole S.A and CA Indosuez Private Banking and Crédit Agricole (Switzerland) SA to Directors in connection with the offices they held in those companies are also shown.

Board of Directors members as at 31 December 2014

Amounts in euros	Directors' fees paid by Crédit Agricole CIB[1]	Directors' fees paid by Crédit Agricole CIB[1] in 2013	Directors' fees paid by Crédit Agricole S.A. [5]	Directors' fees and other remuneration paid by CA Indosuez Private Banking [5]	Directors' fees paid by Crédit Agricole (Switzerland) S.A.	2014 Total
	(Gross amounts of directors' fees, not including mandatory tax withholding)					
Jean-Paul CHIFFLET, Chairman of the Board of Directors	39,000	48,000			20,614	59,614
Edmond ALPHANDERY [4]	30,000	54,000				30,000
Philippe BRASSAC	15,000	24,000	40,700			55,700
Frank E. DANGEARD	19,000	28,000				19,000
Marie-Claire DAVEU [3]	9,000					9,000
Marc DESCHAMPS	30,000	29,500				30,000
Jean-Frédéric DREYFUS [2]	12,000	24,000				12,000
Fabienne HAAS [3]	11,667					11,667
François IMBAULT	12,000	21,000		3,430		15,430
Marc KYRIACOU [2]	15,000	24,000				15,000
Michel MATHIEU	15,000	24,000				15,000
Anne-Laure NOAT [3]	21,000					21,000
Nathalie PALLADITCHEFF	30,000	18,750				30,000
Jean-Pierre PAVIET	15,000	24,000				15,000
Jean PHILIPPE	30,000	54,000				30,000
Jean-Louis ROVEYAZ	19,000	25,000	25,300			44,300
François THIBAULT	15,000	21,000	23,100			38,100
Jean-Pierre VAUZANGES	15,000	3,000				15,000
François VEVERKA	30,000	54,000	62,900			92,900

[1] Eight Board of Directors' meetings were held in 2013 and fivemeetings were held in 2014
In 2014, compensation rules of members of Audit and Risk Committee are modified.
Gross amounts, not including tax withholding - since 2013, the following amounts have been deducted from the sums owed to the beneficiaries: income tax (21%) and social security contributions (15.50%) advances.

[2] Director elected by the employees

[3] Director since 30 April 2014.

[4] Director then non-voting members since 30 April 2014

[5] Directors' fees in the amount of €3,300 per meeting are paid to each director and board observer (censeur) who actually attends Crédit Agricole S.A Board of Directors' meetings. Additional directors' fees are paid to the members of committees, on the basis of their attendance at the meetings of such committees, and to the committee chairmen.

■ Total amount of directors' fees in 2014

An ordinary general meeting of the shareholders of Crédit Agricole Corporate and Investment Bank set the total amount of directors' fees to be paid annually at a maximum amount of €600,000.

■ Distribution of directors' fees in 2014

The distribution process of the directors' fees is mainly based on the compensation of the effective participation in meetings and on the required availability for certain missions.

- **Board of Directors meeting:** a gross amount of €3,000 per meeting paid to each Board member attended to the meeting. An additional annual flat of a gross amount of €20,000 is allocated to the Chairman of the Board.
- **Audit and Risks Committee meeting:** Within the limits of an annual gross amount of €15,000, a gross amount of €3,000 per meeting paid to each Committee member attended to the meeting, except of the Chairman of the Committee who receives an annual flat of a gross amount of €15,000;
- **Compensation Committee meeting:** as the number of this committee meetings' is irregular, compensation is paid on each member, on basis of an annual flat of a gross amount of €4,000 per year.

Non-voting member(s) receive the same compensation than Directors, charged on the amount of directors' fees.

■ Amounts of directors' fees paid in 2014 by the Company to Directors whose terms of office expired during the financial year

Amounts in euros	Directors' fees paid by Crédit Agricole CIB[1]	Directors' fees paid by Crédit Agricole CIB[1] in 2013	Directors' fees paid by Crédit Agricole S.A. [5]	Directors' fees and other remuneration paid by CA Indosuez Private Banking [5]	Directors' fees paid by Crédit Agricole (Switzerland) S.A.	2014 Total
	(Gross amounts of directors' fees, not including mandatory tax withholding)					
Denis GASQUET		15,000				0
Didier MARTIN	1,333	25,000				1,333

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CRÉDIT AGRICOLE CIB GROUP'S BUSINESS REVIEW AND FINANCIAL INFORMATION

PRESENTATION OF CRÉDIT AGRICOLE CIB GROUP FINANCIAL STATEMENTS

Changes to accounting policies

Pursuant to EC Regulation 1606/2002, the consolidated financial statements were prepared in accordance with IAS/IFRS and IFRIC interpretations applicable at 31 December 2014 as adopted by the European Union (the "carve-out" version), using certain dispensations of IAS 39 as regards macro-hedge accounting.

The standards and interpretations are identical to those used and described in the Group financial statements at 31 December 2013.

They have been supplemented by those IFRS adopted by the European Union at 31 December 2014 and whose application is mandatory for the first time in the 2014 financial year.

Changes in consolidation scope

Changes in scope between 1 January and 31 December 2014 were as follows:

Companies first-time consolidated in 2014

The following companies were added to the scope of consolidation:

- in accordance with the application of IFRS 10:
  - Two multi-selling ABCP conduits: LMA SA and Atlantic Asset Securitization LLC
  - 16 securitisation funds (fonds commun de titrisation – FCT) designed to refinance on the market securitisation transactions on behalf of customers, in Europe and in the United: Hephaistos EUR FCC, Hephaistos GBP FCT, Hephaistos USD FCT, Hephaistos Multidevises FCT, Eucalyptus FCT, Pacific USD FCT, Pacific EUR FCC, Pacific IT FCT, Shark FCC, Vulcain EUR FCT, Vulcain GBP FCT, Vulcain USD FCT, Cablage FCT, Acieralliage EURO FCC, Acieralliage USD FCC, Triple P FCC
- Elipso Finance S.r.l in accordance with IFRS 11
- CA Private Banking Management Company « CAPB MC » subsidiary of the Private Bank
- ESNI (creation)

Companies de-consolidated in 2014

The following companies went out of the scope of consolidation:

- Cube Financial Holding, an entity of the Newedge sub-group, which discontinued operations.
- Semeru Asia Equity High Yield Fund (disposal)
- Newedge Group (disposal)
- Transpar, company absorbed by Sofipac
- Crédit Agricole North America Inc, of the CA Global Partners Inc sub-group (liquidation).

Impact of change in consolidation method

- Ubaf and Elipso are now accounted for as associates in accordance with the application of IFRS 11

ECONOMIC AND FINANCIAL ENVIRONMENT

In 2014, we saw a sharp contrast between a US economy able to generate self-sustaining growth, and the European and Japanese economies which, despite considerable stimulus – both monetary (Europe), and monetary and fiscal (Japan) – gave a disappointing performance.

It would be an exaggeration to say that the US economy was not shored up by economic policy. Fiscal policy is now neutral, but despite the end of quantitative easing (QE), monetary policy remains highly accommodative. Yet it is the upturn in consumer spending, as the job market steadily improves and households pay down debt, which has fuelled much of the rebound in activity. Housing and manufacturing investment is also strong.

The good health of the US economy illustrates once again the country's status as a "final demand-user", because its recovery has received no external support. The Eurozone recovery was disappointing in 2014, with a marked slowdown in Germany in the second and third quarters; in France, activity was hampered all year by the same constraints: high unemployment, poor business profitability and ongoing fiscal adjustment, while the confidence needed for a real recovery remained absent; Italy, contrary to expectation, remains mired in recession. In Japan, the upswing observed at the end of the year after two quarters of contraction is the result of a massive monetary and fiscal injection, and is not yet self-supporting. Finally, emerging countries have recorded virtually stable growth, albeit way short of the boom years, and with marked differences between countries.

In June, the European Central Bank (ECB) brought out the heavy artillery, with unprecedented measures: a negative deposit rate of -0.10%, and a "Targeted Longer Term Refinancing Operation" (TLTRO) for the banking sector. By offering attractive financing for banks that are net lenders or (in southern Europe) banks that are slowing the pace of contraction of their balance sheets, the ECB has sought to encourage banks to lend again and, in the medium term, trigger a moderate rise in inflation. The results were disappointing, forcing the ECB to take drastic steps in January 2015, with the announcement of its own QE programme. The Federal Reserve maintained its policy of tapering injections of liquidity into the economy, although its Chair has had constant reminders of the scars left by the crisis, especially in the labour market, with longterm unemployment still high. As a result, she is trying to avoid any interest rate shock that might jeopardise the recovery.

At the end of the year, two developments radically altered the economic environment: first, the slump in oil prices, which slashed exports and fiscal revenues in producer countries, but provided relief in some quarters; second, the sharp fall in the euro. For European countries, especially France and Italy, these two developments have slightly improved growth prospects for 2015.

ACTIVITY AND CONSOLIDATED INCOME STATEMENT

Condensed consolidated income statement

The information presented below for 2014 and 2013 takes into account the IFRS 11 accounting treatment for UBAF and Elipso Finance S.R.L.

2014

€ million	Ongoing activities	CPM and CVA/DVA /FVA[1]	Discontinuing operations	Total CIB	Private Banking	Corporate center [2]	CA-CIB	Change [3] 2014/ 2013
Net Banking Income	**3,910**	**(216)**	**8**	**3,702**	**697**	**(47)**	**4,352**	**6%**
Operating expenses	(2,120)		(118)	(2,238)	(542)	0	(2,780)	3%
Gross Operating Income	**1,790**	**(216)**	**(110)**	**1,464**	**155**	**(47)**	**1,572**	**10%**
Cost of risk	(280)		27	(253)	(58)		(311)	-42%
Share of net income of equity-accounted entities	177		(15)	162			162	39%
Gain/losses on other assets	3			3	50		53	ns
Impairment of goodwill	0			0	(22)		(22)	ns
Pre-tax income	**1,690**	**(216)**	**(98)**	**1,376**	**125**	**(47)**	**1,454**	**32%**
Corporate income tax	(437)	74	6	(357)	(47)	8	(396)	7%
Net income from discontinued or held-for-sale operations	3			3			3	ns
Net income	**1,256**	**(142)**	**(92)**	**1,022**	**78**	**(39)**	**1,061**	**22%**
Non-controlling interests	0			0	12		12	ns
Net income, Group share	**1,256**	**(142)**	**(92)**	**1,022**	**66**	**(39)**	**1,049**	**24%**

[1] CPM and CVA/DVA/FVA: loan hedges and impact of current DVA, Day One FVA and CVA/FVA/DVA methodology changes for +€15 million and -€231 million in net banking income, respectively.

[2] Of which, debt revaluation for -€47 million in net banking income.

[3] Change calculated on the ongoing activities.

2013

€ million	Ongoing activities	CPM and CVA/DVA (1)	Discontinuing operations	Total CIB	Private Banking	Corporate center (2)	CA-CIB
Net Banking Income	**3,688**	**(255)**	**140**	**3,573**	**711**	**(529)**	**3,755**
Operating expenses	(2,059)		(174)	(2,233)	(546)	(1)	(2,780)
Gross Operating Income	**1,629**	**(255)**	**(34)**	**1,340**	**165**	**(530)**	**975**
Cost of risk	(480)		(16)	(496)	(20)		(516)
Share of net income of equity-accounted entities	127		(3)	124			124
Gain/losses on other assets	(1)			(1)	2		1
Pre-tax income	**1,275**	**(255)**	**(53)**	**967**	**147**	**(530)**	**584**
Corporate income tax	(407)	94	16	(297)	(27)	171	(153)
Net income from discontinued or held-for-sale operations	156			156			156
Net income	**1,024**	**(161)**	**(37)**	**826**	**120**	**(359)**	**587**
Non-controlling interests	12		(1)	11	11		22
Net income, Group share	**1,012**	**(161)**	**(36)**	**815**	**109**	**(359)**	**565**

(1) CPM and CVA/DVA: loan hedges, CVA/DVA impact for -€21 million and -€234 million in net banking income, respectively.
(2) Of which, debt revaluation for -€529 million in net banking income

After the transition year of 2013, which marked the end of deleveraging efforts, 2014 saw a return to revenue growth and the start of the development phase of the medium-term plan, which was presented to the market at the start of the year. Crédit Agricole CIB demonstrated its ability to support key clients by offering them comprehensive and innovative solutions as part of long-term relationships.

The economic and financial environment in 2014 was marked by a fragile economic recovery in the euro zone, with some sharp divergences depending on the country, faster growth in the United States and significant oil price drop in the second half. At year-end, market volatility was high, notably in the light of the rouble's collapse and the dollar's appreciation. In this uncertain environment, Crédit Agricole CIB was nevertheless able to make the best of the situation and achieve its objectives under the medium-term growth plan. The Corporate and Investment Bank ongoing activities' revenues accordingly increased by 6% year-on-year and amounted to €3,910 million.

The Financing business line recorded significantly higher revenues in 2014 (up 10% from the previous year) by maintaining its leadership positions in its core business areas, including structured finance and syndication.

Capital Markets and Investment Banking revenues remained stable, rising by 1% despite the unsettled and unfavourable interest and exchange rate environment.

At constant exchange rates, the Corporate and Investment Bank's operating expenses remained under control and were stable relative to 2013.

The cost of risk was low, illustrating the quality of the bank's loan portfolio.

Income from equity affiliates increased by 39% relative to 2013 thanks to the favourable results of Banque Saudi Fransi (BSF). These results were marked by sustained revenue growth (driven by capital markets, brokerage and portfolio management activities), a cost-to-income ratio held in check and a significant drop in the cost of risk.

Crédit Agricole CIB thereby recorded net income, Group share of more than €1 billion, up significantly from 2013.

After two crises and two major restructurings since 2008, Crédit Agricole CIB has confirmed its strategy and areas of expertise, showing the relevance of its positioning as a *Debt House*.

ACTIVITY AND CONSOLIDATED INCOME STATEMENT BY BUSINESS LINE

Financing activities

€ million	2014[1]	2013[1]	Change 2014/2013	Change 2014/2013 at constant exchange rate
Net Banking Income	**2,262**	**2,053**	**10%**	**10%**
Operating expenses	(882)	(865)	2%	2%
Gross Operating Income	**1,380**	**1,188**	**16%**	
Cost of risk	(270)	(368)	-27%	
Share of net income of equity-accounted entities	177	127	39%	
Gain/losses on other assets	(2)	(1)	x2	
Pre-tax income	**1,285**	**946**	**36%**	
Corporate income tax	(327)	(277)	18%	
Net income	**958**	**669**	**43%**	
Non-controlling interests	(1)	11	ns	
Net income, Group share	**959**	**658**	**46%**	

[1] Excluding the impact of loan hedges on net banking income for +€15 million and -€21 million in 2014 and 2013, respectively.

In 2014, the Financing business drew full advantage from its Distribute-To-Originate model. Revenues rose by 10% thanks to strong commercial activity across all business lines and the successful unwinding of a financing transaction in the first half (+€92 million impact).

Structured finance revenues rose slightly by 1% in a context of a gradual recovery in origination. Crédit Agricole CIB consolidated its competitive positions and was recognised in its areas of expertise: Crédit Agricole CIB was named "Airport Finance House of the year" for the second straight year and "Rail Finance House of the Year" by the magazine Global Transport Finance. The bank was very active in the rail sector in 2014, with eight structured finance transactions. Crédit Agricole CIB also retained its global leadership position in the aeronautics financing segment (source: Air Finance Journal).

As part of the Railway project, Crédit Agricole CIB was retained as the lead underwriter on the syndicated loan and contributed to the interest rate hedges on the credit lines provided by the Japan Bank for International Cooperation, the European Investment Bank and the commercial banks. This GBP 2.2 billion project was the largest public-private partnership (PPP) of the year in the United Kingdom.

The commercial bank recorded a sharp increase in revenues, thanks in particular to sustained business volume in the Corporate Credit and Trade Finance segments.

In fact, a company survey ranked Crédit Agricole CIB as the second best Trade Finance bank in Western Europe (Global Trade Review rankings). Demonstrating strong distribution capabilities, the bank confirmed its positioning as the leader in the syndication business and maintained these positions throughout the year, including 1st in France, 3rd in Western Europe and 4th in the EMEA zone (source: Thomson Financial).

The cost of risk was low and fell by 27% relative to 2013.

Income from equity affiliates increased thanks to BSF's favourable results for the year.

Lastly, the Group share of net income for the Financing activity adjusted for loan hedges totalled €959 million, up 46% from previous year.

Capital Markets and Investment Banking

€ million	2014[1]	2013[1]	Change 2014/2013	Change 2014/2013 at constant exchange rate
Net Banking Income	**1,648**	**1,635**	**1%**	**0%**
Operating expenses	(1,238)	(1,194)	4%	3%
Gross Operating Income	**410**	**441**	**-7%**	
Cost of risk	(10)	(112)	-91%	
Gain/losses on other assets	5	0	ns	
Pre-tax income	**405**	**329**	**23%**	
Corporate income tax	(110)	(130)	-15%	
Net income from discontinued or held-for-sale operations	3	156	ns	
Net income	**298**	**355**	**-16%**	
Non-controlling interests	1	1	0%	
Net income, Group share	**297**	**354**	**-16%**	

[1] Excluding the DVA impact and the change in CVA/FVA/DVA method on net banking income for -€231 million and -€234 million in 2014 and 2013, respectively.

The Capital Markets and Investment Banking businesses recorded solid results under difficult market conditions and an increasingly burdensome regulatory environment. Revenues increased by a slight 1% on a reported basis (stable at constant exchange rates).

The fixed income activities recorded gains across nearly all product lines and overcame the negative consequences of geopolitical uncertainty and strong volatility.

Crédit Agricole CIB's debt issuance activity was particularly robust:

The bank thereby maintained its global leadership position as the foremost bookrunner for European ABCP securitisations (source: CPWare) and supranational bond issues and was ranked 2nd globally for euro-denominated agency issues (source: Thomson Financial).

Crédit Agricole CIB also stands out as the global leader in green bond issues (source: Climate Bond Initiative), notably with the arrangement of innovative transactions for Abengoa (1st "Green High Yield" in Europe), MHB (1st ESG covered bond), the European Investment Bank (12-year Green Bond) and the inaugural transactions of KfW (€1.5 billion) and the French Agency for Development (€1 billion).

In the Rates segment, the revenue gains were driven by satisfactory performances of both linear and non-linear activities.

The Investment Banking activities also recorded satisfactory performances, with a 2% increase in revenues led notably by the primary equity market activities.

Crédit Agricole CIB jumped from 6th to 1st position as bookrunner for convertible bonds in France and is ranked 3rd for investment banks in mergers and acquisitions in France (source: Thomson Financial). In France, Crédit Agricole CIB led three of the five largest transactions of the year: Elior initial public offering, Peugeot capital increase and Numericable transaction (capital increase and acquisition of SFR).

As a reminder, net income for discontinued or discontinuing operations in 2013 included the results of the brokerage firm disposals (Newedge and CLSA).

Net income, Group share for the Capital Markets and Investment Banking activity adjusted for impacts related to the DVA and changes in the CVA/DVA/FVA calculation method totalled €297 million.

Discontinuing operations

€ million	2014	2013	Change 2014/2013
Net Banking Income	**8**	**140**	**-94%**
Operating expenses	(118)	(174)	-32%
Gross Operating Income	**(110)**	**(34)**	**x 3.2**
Cost of risk	27	(16)	ns
Share of net income of equity-accounted entities	(15)	(3)	x5,0
Pre-tax income	**(98)**	**(53)**	**83%**
Corporate income tax	6	16	-63%
Net income	**(92)**	**(37)**	**x 2.5**
Net income, Group share	**(92)**	**(36)**	**x 2.5**

Revenues from discontinuing activities were slightly positive in 2014 despite additional depreciations on portfolios of European mortgage loans purchased on the secondary market, while the 2013 results included the disposals of certain CDO and US RMBS portfolios under favourable market conditions.

Expenses continue to fall (-32%) and reflected in particular the full-year impact of the discontinued equity derivatives and commodities activities.

The cost of risk was positive thanks to provision reversals following the disposal of several CLO and ABS portfolios in 2014.

Income from equity affiliates included impairment charges on a portfolio of mortgage loans reclassified from net banking income to income from equity affiliates in accordance with the application of IFRS11.

Additional information on the nature of the main exposures is presented in the section “Sensitive Exposures based on the Financial Stability Board recommendations” on page 165.

Private Banking

€ million	2014	2013	Change 2014/2013	Change 2014/2013 at constant exchange rate
Net Banking Income	**697**	**711**	**-2%**	**-2%**
Operating expenses	(542)	(546)	-1%	-1%
Gross Operating Income	**155**	**165**	**-6%**	
Cost of risk	(58)	(20)	x 2,9	
Gain/losses on other assets	50	2	ns	
Impairment of goodwill	(22)	0	ns	
Pre-tax income	**125**	**147**	**-15%**	
Corporate income tax	(47)	(27)	74%	
Net income	**78**	**120**	**-35%**	
Non-controlling interests	12	11	9%	
Net income, Group share	**66**	**109**	**-39%**	

In a still complex regulatory environment, the Private Bank recorded solid revenues, although they were down slightly from the previous year, thanks to the favourable performance of structured products. Net banking income totalled €697 million.

Expenses on the year were held in check and fell slightly relative to 2013 (-1%).

The cost of risk was affected by legal and regulatory provisions in Switzerland.

The results for the year include non-recurring items, which had no net impact on net income, Group share (capital gains on property disposals, goodwill impairment and additional tax expense).

Net income, Group share is €66 million.

As regards the business activity, assets under management increased from €93 billion at 31 December 2013 to more than €101 billion at 31 December 2014, with net inflows during the year.

As part of the development of synergies within the Crédit Agricole Group, the end of the year saw the opening of a CA Luxembourg branch in Italy, which will enable the private bank to benefit from the client potential offered by Cariparma, a subsidiary of Crédit Agricole Group.

Corporate center

€ million	2014	2013	Change 2014/2013
Net Banking Income	**(47)**	**(529)**	**-91%**
Operating expenses	0	(1)	ns
Gross Operating Income	**(47)**	**(530)**	**-91%**
Pre-tax income	**(47)**	**(530)**	**-91%**
Corporate income tax	8	171	-95%
Net income	**(39)**	**(359)**	**-89%**
Non-controlling interests	0	0	ns
Net income, Group share	**(39)**	**(359)**	**-89%**

Since 2013, the impact of issuer spread changes on Crédit Agricole CIB issues is recognised under "Corporate Centre". The sharp negative impact on net banking income in 2013 reflected the net improvement in the spread on the Crédit Agricole S.A.'s CDS in that period. In 2014, the spread improved but to a lesser extent.

With the exception of that impact, no other events had a material impact during the year.

CONSOLIDATED BALANCE SHEET OF CRÉDIT AGRICOLE CIB

Assets

€ billion	31.12.2014	31.12.2013 restated (1)
Cash, due from central banks	47.9	56.2
Financial assets at fair value through profit or loss (excl. Repurchase agreements)	266.8	219.4
Hedging derivatives instruments	2.4	1.4
Available-for-sale financial assets	25,1	27.8
Loans and receivables due from credit institutions (excl. Repurchase agreements)	18.8	18.1
Loans and receivables due from customers (excl. Repurchase agreements)	118.7	109.0
Repurchase agreements	116.8	113.1
Accruals, prepayments and sundry assets	44.2	41.1
Non-current assets held for sale	0.0	0.3
Investments in equity-accounted entities	2.0	1.6
Fixed assets	0.5	0.5
Goodwill	0.9	1.0
TOTAL ASSETS	**644.1**	**589.5**

(1) Effects of the change in accounting policy related to the new consolidation standards IFRS 10 and 11.

Liabilities

€ billion	31.12.2014	31.12.2013 restated (1)
Due to central banks	2.2	2.0
Financial liabilities at fair value through profit and loss (excl. Repurchase agreements)	278.6	235.4
Hedging derivative instruments	1.1	0.8
Due to credit institutions (excl. Repurchase agreements)	48.8	39.1
Due to customers (excl. Repurchase agreements)	95.4	105.5
Repurchase agreements	101.5	108.0
Debt securities	50.7	41.1
Accruals, deferred income and sundry liabilities	43.5	35.5
Liabilities associated with non-current assets held for sale	0.0	0.0
Provisions	1.6	1.4
Subordinated debt	4.6	5.2
Non-controlling interests	0.1	0.1
Equity, Group share (excluding income)	15.0	14.8
Net income/(loss) for the period	1.0	0.6
TOTAL EQUITY AND LIABILITIES	**644.1**	**589.5**

(1) Effects of the change in accounting policy related to the new consolidation standards IFRS 10 and 11.

At 31 December 2014, Crédit Agricole CIB had total assets of €644 billion, up €55 billion from the adjusted total of one year earlier. The dollar's appreciation caused total assets to increase by €25 billion, whereas the yen's impact was not material. The main changes pertained to the following items:

■ Interbank transactions

Crédit Agricole CIB has access to all major international liquidity centres and is very active in the largest financial markets (Paris, New York, London and Tokyo), which enables it to optimize its interbank lending and borrowing within the Group.

■ Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at fair value through profit and loss (excluding repurchase agreements) increased by €47 billion and €43 billion, respectively, during the financial year. On the asset side, they consist mainly in the positive fair value of interest rate derivatives and of the portfolio of securities held for trading, while on the liabilities side they reflect the negative value of derivatives and securities sold short.

The increase in outstandings resulted primarily from mark-to-market increases (+€42.9 billion in assets and +€43.1 billion in liabilities), mostly on interest rate derivatives.

■ Securities purchased or sold under repurchase agreements

The repurchase activities are largely concentrated in Paris, which accounted for 60% of securities purchased and 66% of securities sold under repurchase agreements. In 2014, the increase in securities purchased under repurchase agreements was mainly due to the increased trading activity in the United States, while the decrease in securities sold under repurchase agreements was largely attributable to the decline in CA CIB France's trading activity.

■ Accruals, prepayments and sundry assets and liabilities

Accruals, prepayments and sundry assets and liabilities mainly comprise deferred securities settlement accounts and guarantee deposits for market and brokerage transactions. The respective increases of €3 billion and €8 billion in assets and liabilities over the period was mainly due to the increase in securities to be delivered / received, which are recognised on the balance sheet between the trade date and the settlement/delivery date. The change in settlement accounts comes mainly from CA Securities USA and CA CIB France.

■ Debt securities

Apart from traditional refinancing via interbank borrowings, Crédit Agricole CIB raises liquidity by issuing paper in the main financial markets (particularly in the United States, United Kingdom and France and through the two securitisation conduits LMA SA and Atlantic Asset Securitization LLC). The €9.6 billion increase in debt securities was generated by the increase in negotiable debt instruments originating primarily in the United States.

■ Shareholders' equity, Group share

Shareholders' equity, Group share (excluding net income for the period) was €15 billion at year-end, up €0.2 billion compared with the adjusted figure for 31 December 2013. The change resulted mainly from the dividend payment of €1 billion (of which €0.6 billion in 2013 net income) and the €0.6 billion increase in other comprehensive income (of which €0.3 billion in gains on hedging derivatives and €0.3 billion in gains on currency translation adjustments).

■ RELATED-PARTY TRANSACTIONS

The main transactions entered into with related parties are disclosed in the consolidated financial statements for the year ended 31 December 2014 "General Framework – Related parties" section.

Information in accordance with the last paragraph of Article L.225-102-1 - Agreements

Excluding agreements related to current transactions concluded at normal conditions, there has been no related-party agreements brought to the attention of the Company that has occurred, directly or through a third party, between (i) the CEO, one of the deputy CEO, one of the Directors or one of the Shareholders that owns more than 10% of Crédit Agricole CIB voting rights and (ii) another company whose capital is more than 50%-owned by Crédit Agricole CIB, directly or indirectly.

RECENT TRENDS AND OUTLOOK

Beginning of 2015 economic and financial outlook

At the start of the year, the forecasts for 2015 and 2016, particularly in Europe, were for a continuation of the trend witnessed in 2014 which, overall, proved to be a disappointing year. The same constraints, which had hardly eased at all, only allowed for a very slow recovery. What's more, the possibilities of a downside were very real as a result of mounting geopolitical tensions (the Russian-Ukrainian crisis and its impact on central Europe and Germany, anarchy in Iraq and Libya, etc.), the risk of a hard landing for the Chinese economy (the growth rate being suspected to be increasingly dependent on an opaque financial sector bubble), the risk of too sharp a rise in US long rates which would shatter the key components of the recovery (capacity for household debt, upturn in construction, etc.).

These risks are still very real. Some, like the crisis in Ukraine and, via sanctions and counter sanctions, its impact on Russia and the European Union, are even worsening. The recent change of political leadership in Greece was expected but, nevertheless, introduced an additional element of uncertainty for the Eurozone. Three new factors which could, nevertheless, contribute to a return to growth, can no longer be ignored.

The first, and most fragile, is the massive drop in the price of oil, which is currently 60% down on its peak of mid-June 2014 and 35% down on early December. In France, in December, the INSEE estimated a potential positive impact on growth of 0.2% resulting from a 30% drop in the price of oil. The outlook is, however, very uncertain with some analysts anticipating another price drop.

There are, moreover, no guarantees that an unforeseen event (geopolitical, for example) will not lead to a return to a price of USD 100/barrel or higher before the end of 2015.

The second and third are partially linked, i.e. the drop in the euro and the quantitative easing (QE) announced by the European Central Bank (ECB) in January. This QE was planned but the ECB went beyond expectations both in terms of amounts and duration. One of its clear objectives was to avoid the risk of deflation. Another objective, even if not stated, was to put an end to the overvaluation of the euro. On this point, the ECB reinforced a trend that was already in progress, i.e. the EUR/USD exchange rate depreciated substantially, returning to a level not witnessed since the end of 2003. The abundance of cash and, above all, the exchange rate correction, should support investments and exports and may also contribute to slightly better than anticipated growth in 2015.

This is not a foregone conclusion, however, as stressed by Mario Draghi. Without the support of the budgetary arm, the power of the monetary arm is diminished. The ECB has come to the end of its mandate. The ball is now, more than ever, in the political court.

Uncertainty has, therefore, increased overall. Unlike the situation a year ago, the risks of deviating from our central scenario, which for the Eurozone and France still involves a modest acceleration in growth, are no longer just on the downside. The start of the year offered hope of a more marked upturn in business.

2015 outlook for Crédit Agricole CIB

Continuing 2014 actions and as part of the implementation of its Medium-Term Plan, Crédit Agricole CIB will continue the consolidation of its positioning in 2015 strengthening its origination and distribution capabilities.

To support its corporate and financial institutions clients over-time, Crédit Agricole CIB will pursue the continuous adaptation of its products' line in order to meet the expectations of its key clients and the changes of the economic context.

Managing and optimizing the bank's scarce resources (liquidity, capital, size of balance sheet) remain a priority for the bank in a constantly changing regulatory and more complex environment.

Meanwhile, Crédit Agricole CIB continues to improve its operational efficiency by streamlining processes, studying new partnerships and sharing platforms.

Strengthened by its 2014 solid performance, Crédit Agricole CIB therefore asserts in 2015 its positioning as a European debt house on a refocused client portfolio, whom the bank accompanies on its areas of expertise by relying on a worldwide presence.

INFORMATION ON CRÉDIT AGRICOLE CIB (S.A.) FINANCIAL STATEMENTS

CRÉDIT AGRICOLE CIB (S.A.) CONDENSED BALANCE SHEET

€ billion

Assets	31.12.2014	31.12.2013	Liabilities	31.12.2014	31.12.2013
Interbank and similar transactions	160.4	170.3	Interbank and similar transactions	106.6	101.6
Customer transactions	145.6	135.4	Customer accounts	132.7	151.8
Securities transactions	33.6	28.7	Debt securities in issue	47.9	40.9
Accruals, prepayments and sundry assets	305.2	272.0	Accruals, deferred income and sundry liabilities	345.3	299.7
Non-current assets	6.9	6.9	Impairment and subordinated debt	7.3	7.7
			Fund for General Banking Risks	0.1	0.1
			Shareholders' equity (excl. FGBR)	11.8	11.5
Total assets	**651.7**	**613.3**	**Total Liabilities and shareholders' equity**	**651.7**	**613.3**

Crédit Agricole CIB (S.A.) had total assets of €651.7 billion at 31 December 2014, up €38.4 billion from one year earlier.

Interbank transactions

Interbank assets fell by €9.9 billion (-5.8%), including mainly a €8.5 billion decline in deposits with central banks and a €1.8 billion contraction in treasury bills, which reflects a €3.6 billion decline in the investment portfolio and a €1.8 billion increase in the trading portfolio.

Interbank liabilities increased by €5 billion (+4.9%), resulting from a €3.1 billion decline in repurchase agreements and a €7.5 billion increase in term borrowings.

Customer transactions

Assets increased by €10.2 billion (+7.5%) while liabilities fell by €19.1 billion (-12.6%).

The increase in customer assets resulted from a €5.1 billion increase in repurchase transactions and a €5 billion increase in customer accounts and loans.

On the liabilities side, customer accounts in credit fell by €12 billion and overdrafts and accounts fell by €4.5 billion.

Securities transactions and debt securities

Securities transactions and debt securities increased by €4.9 billion (+17.1%) and €7 billion (+17.1%), respectively.

The increase in assets was mainly due to the €3.3 billion increase in equities and other variable income securities in the trading portfolio and a €1.5 billion increase in bonds in the investment portfolio.

The increase in liabilities resulted mainly from an increase in negotiable debt instrument issuance abroad.

Accruals, prepayments and sundry assets and liabilities

Accruals and prepayments consist mainly in the fair value of derivatives. These amounts are reported in “Financial assets and liabilities measured at fair value” in the consolidated financial statements.

Accruals and prepayments increased by €22.3 billion (+11.3%) on the assets side and €26.9 billion (+14%) on the liabilities side and comprised mainly interest rate swaps.

“Other assets” and “Other liabilities” mainly include premiums on conditional derivatives, miscellaneous debtors and creditors and trading securities sales and purchases transactions awaiting settlement.

Crédit Agricole CIB (S.A.) supplier payment times

Crédit Agricole CIB paid its suppliers within 29 days (median payment time).

Crédit Agricole CIB had outstanding payables of €8.5 million at 31 December 2014, compared with €8.6 million at 31 December 2013.

CRÉDIT AGRICOLE CIB (S.A.) CONDENSED INCOME STATEMENT

€ million	31.12.2014	31.12.2013
Net Banking Income	3,653	3,248
Operating expenses	(2,207)	(1,989)
Gross Operating Income	**1,446**	**1,259**
Cost of risk	(159)	(463)
Net Operating Income	**1,287**	**796**
Net gain/(loss) on fixed assets	(69)	(314)
Pre-tax income	**1,218**	**482**
Corporate income tax	100	40
Net income	**1,318**	**522**

In 2014, the economic and financial environment was marked by a fragile economic recovery in the euro zone, faster growth in the United States, a sharp decline in oil prices in the second half and the collapse of the rouble late in the year.

In this uncertain environment, Crédit Agricole CIB (SA) nevertheless achieved its objectives set as part of its Medium-Term Plan. Net banking income totalled €3.7 billion in 2014, up €405 million from the previous year.

The Financing activity drew full advantage from its Distribute-To-Originate model. Revenues thereby increased by 10% thanks to a favourable sales performance across all business lines and non-recurring items in the first half.

In challenging market conditions and an increasingly demanding regulatory environment, the Capital Markets and Investment Banking activity recorded a slight 1% increase in reported revenues (stable at constant exchange rates).

Operating expenses excluding provisions rose by €122 million (+6.2%).

In the light of these items, gross operating income totalled €1.4 billion in 2014.

The cost of risk was €0.2 billion in 2014, compared with €0.5 billion the previous year.

“Corporate income tax” takes into account Crédit Agricole S.A.’s purchase of tax loss carry-forwards in connection with the tax consolidation (positive impact of €109 million in 2014, compared with €165 million in 2013).

Crédit Agricole CIB is a member of the Crédit Agricole S.A. tax consolidation group. The tax agreement between Crédit Agricole CIB and its parent company enables it to sell its tax losses.

Crédit Agricole CIB (S.A.) recorded net income of €1.3 billion in 2014, up from €522 million the previous year. Crédit Agricole CIB France and its branches contributed to this result in the respective amounts of €501 million and €817 million.

FIVE-YEAR FINANCIAL SUMMARY

ITEMS	2010	2011	2012	2013	2014
Share capital at year-end (€)	6,055,504,839	6,775,271,784	7,254,575,271	7,254,575,271	7,254,575,271
Number of shares issued	224,277,957	250,935,992	268,687,973	268,687,973	268,687,973
Total results of realized transactions (in € million)					
Gross revenue (excl.Tax)	7,306	8,780	8,232	6,581	8,178
Profit before tax, amortization and reserves	111	921	637	272	48
Corporate income tax	(1,179)	(703)	(640)	(34)	(77)
Profit after tax, amortization and reserves	1,388	697	1,129	522	1,318
Amount of dividends paid	955	647	0	999	999
Earning per share (€)					
Profit after tax, before amortization and reserves	[1] 5.75	[2] 6.47	[3] 4.76	[4] 1.14	[5] 0.46
Profit after tax, amortization and reserves	[1] 6.19	[2] 2.78	[3] 4.20	[4] 1.94	[5] 4.90
Dividend per share	4.26	2.58	0.00	3.72	3.72
Staff					
Number of employees	[6] 7,455	[6] 7,633	[6] 6,964	[6] 6,230	[6] 6,241
Wages and salaries paid during the financial year (in € million)	888	941	953	880	942
Employee benefits and social contributions (in € million)	304	334	300	271	276
Payroll taxes (in € million)	33	30	39	31	39

[1] Calculation based on number of shares issue excluding treasury stock at end-2010, i.e 224,277,957 shares.
[2] Calculation based on number of shares issue excluding treasury stock at end-2011, i.e 250,935,992 shares.
[3] Calculation based on number of shares issue excluding treasury stock at end-2012, i.e 268,687,973 shares.
[4] Calculation based on number of shares issue excluding treasury stock at end-2013, i.e 268,687,973 shares.
[5] Calculation based on number of shares issue excluding treasury stock at end-2014, i.e 268,687,973 shares.
[6] Average headcount.

RECENT CHANGES IN SHARE CAPITAL

The table below shows changes in Crédit Agricole CIB's share capital over the last five years

Date and type of transaction	Amount of share capital (€)	Number of shares
Share capital at 31 December 2010	**6,055,504,839**	**224,277,957**
21 June 2011		
Capital increase (dividend paid in shares)	719,766,945	26,658,035
Share capital at 31 December 2011	**6,775,271,784**	**250,935,992**
21 June 2012		
Capital increase (dividend paid in shares)	479,303,487	17,751,981
Share capital at 31 December 2012	**7,254,575,271**	**268,687,973**
Share capital at 31 December 2013	**7,254,575,271**	**268,687,973**
Share capital at 31 December 2014	**7,254,575,271**	**268,687,973**

Authorisations to proceed to capital increases

Information required by article L.225-100 of the French Commercial Code (Code de commerce):

Crédit Agricole CIB has no authorization validated, granted by the Shareholders' meeting to the Board of Directors, to proceed to capital increases.

INFORMATIONS ON CORPORATE OFFICERS

Information relating to the compensation, terms of office and functions of corporate officers as required by article L.225-102-1 of the French Commercial Code (Code de commerce) is provided in the "Corporate Governance" chapter on pages 59 to 124.

Trading in the Company's shares by corporate officers: information that could be required by article L.621-18-2 of the French Monetary and Financial Code (Code Monétaire et Financier) and article 223-26 of the Autorité des Marchés Financiers' general regulations is provided in page 98 of this document.

Information relating to the article L.225-102 of the French Commercial Code (Code de commerce) dealing with the Group's socio-environmental implications

Economic, social and environmental information of Crédit Agricole CIB group are presented in Chapter 2 of this shelf registration document and are subject to a report by one of the statutory auditors, appointed as an independent third party, provided on page 56.

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RISK FACTORS AND PILLAR 3

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RISK FACTORS

■ ORGANISATION OF THE RISK FUNCTION

The Risk Management and Permanent Controls (RPC) division is in charge of the supervision and permanent control of risks across the whole Crédit Agricole CIB Group's scope of internal control. It carries out second-level supervision and permanent control of credit risks, market risks, country and portfolios risks, operational risks and accounting risks.

Crédit Agricole CIB' s Risk Management and Permanent Controls organisation is integrated into the Crédit Agricole S.A. Group's Risk Management and Permanent Controls business line. Risk management is delegated to Crédit Agricole CIB under formally adopted subsidiarity and delegation principles. Within this framework, the RPC regularly reports its major risks to Crédit Agricole S.A.'s Group Risk Management Division, and has Crédit Agricole S.A.'s Group Risk Management Committee (CRG) approve those cases which exceed its authorised limits as well as substantial risk strategies at the Crédit Agricole S.A. Group level.

It should be noted that management and control related to the information systems' security and to Business Continuity Plan organization are no longer reporting to RPC but report to Corporate Support International Department (CSI) since October 1st, 2014.

A worldwide organization

The RPC is a worldwide organisation with the following attributes:

- all risk management tasks and business lines, whatever their nature or location, are grouped together within the division. The RPC has seven departments:
  - "Corporate" Individual Counterparty Risks,
  - "Financial Institutions" Individual Counterparty Risks
  - Organisation, projects and operational management of Counterparty Risks,
  - Counterparty risks on market transactions,
  - Country and Portfolio Risks,
  - Market Risks,
  - Permanent Control and Operational Risks, and Corporate Secretariat of RPC;

  and specialised units (Transverse Missions, Risk culture, central management and sensitive cases);
- all of Crédit Agricole CIB's local and regional RPC managers within the international network report directly to the RPC's managers at Head Office;
- Permanent controllers at Head Office reports functionnally to the Operational Risks and Permanent Controls department
- Crédit Agricole CIB's Head of Risk Management and Permanent Control reports hierarchically to Crédit Agricole S.A.'s head of Group Risk Management;
- Crédit Agricole CIB's head of Risk Management and Permanent Control (who is a member of the Executive Committee) reports functionally to Crédit Agricole CIB's Executive Management.

Governance and global management of the activities

■ Information of Crédit Agricole CIB governance bodies

The Crédit Agricole CIB Audit and Risks Committee and Board of Directors receive a report on Risk Management and main exposures quarterly, and specific monographs when needed that are realised periodically or on request.

■ Global management of the activities

Definition of risk profile and Strategic Risk Management

A member of the Executive Management is at the head of the Strategy and Portfolio Committee (CSP). Its main missions are:

- to ensure that the bank global strategy is consistent with its capacity of taking risks to set guidelines that will come in specific operational rules, notably such as risks strategies and analyses alert or Business Watch topics.
- the CSP also oversees each location/country, each business-line/important subsidiary within a specific risks strategy giving the main development guidelines for each business; it also decides on the main risk budgets in the global portfolio.

Decision-making process

The decision-making process within Crédit Agricole CIB is ensured by dedicated committees for decision-making process:

- business and geographical Committees are in charge of retail financing within the limit granted to each manager;
- the most significant files are reviewed by the Counterparties Risk Committee (CRC) which is chaired by a member of Executive Management. The Crédit Agricole S.A. Group Risk Management Division (DRG) is systematically a member of this commitee and receives all the files. The cases with an amount higher than the limits granted to Crédit Agricole CIB are presented for decision to the Crédit Agricole S.A. Executive Management, after approval by the Group Risk Management Division (DRG);
- the Market Risk Committee (CRM), which is also chaired by a member of Executive Management, monitors market exposures twice a month. The CRM sets the limits and does controls on compliance accordingly.

Anticipation

The two following institutions are in charge of anticipating the potential deterioration of counterparties:

- The Early Warning meeting which goal is to identify advanced signals of potential deterioration of non-doubtful counterparties. After analysing collected information, it decides whether or not to maintain the relationship and can decide to take measures in order to protect the bank interests;
- the Business Watch activity is attached to the Country and Portfolio Risks department.

Sensitive cases follow up

The control of sensitive cases is ensured by a dedicated team. Debts that are under special supervision or classified as in default are revised quarterly.

Operational management bodies

On addition to the Committees in charge of risks (CRC and CRM), risk management reports are also regularly presented to the following Executive Management bodies:

- Crédit Agricole CIB Executive Committee, with debates and discussions dedicated to risk management;
- Internal Control Committee which is responsible for monitoring market and counterparty limits as well as the recommendations of internal and external audit bodies;
- Lead Central Permanent Control Committee which validates the work assigned to Permanent Control and reviews the permanent control systems of the Business Lines or branches and cross-functional issues.

Crédit Agricole S.A. risk management process

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

- The Group Risk Management Committee is chaired by the Crédit Agricole S.A. CEO. Crédit Agricole CIB mainly presents to the committee its one-off approval requests, its main limit risk strategies, its budgets by country, the corporate significant outstanding, the sensitive cases as well as the market risk situation;
- the Supervisory Risk Management Committee which belongs to the CRG. Chaired by the Crédit Agricole S.A. CEO, this committee reviews counterparties which present signs of deterioration or a need of arbitrage between entities of the Group;
- the Standards and Methodology Committee (CNM) is chaired by the Crédit Agricole S.A. Head of Risk Management and Permanent Controls to which Crédit Agricole CIB submits for decision any proposal of new or existing methodology as regards to measurement or qualification under the Basel Committee before implementation in Crédit Agricole CIB;
- the CIB Business Line Monitoring Committee is chaired by the Crédit Agricole S.A. Head of Risk Management and Permanent Controls in the presence of the Crédit Agricole CIB Deputy CEO in charge of the support functions and of the Crédit Agricole CIB Risk Management Division. This committee reviews Crédit Agricole CIB risk situation as well as the progress of some of these processes.

CREDIT RISKS

A credit risk occurs when a counterparty is unable to fulfill its obligations and when the book value of these obligations in the bank's records is positive. The counterparty may be a bank, an industrial or commercial corporate, a government or government entity, an investment fund or an individual.

The exposure may be a loan, debt security, deed of property, performance exchange contract, guarantee or unused confirmed commitment. The risk also includes the settlement risk inherent in any transaction entailing an exchange of cash or physical goods outside a secure settlement system.

Since 2014, CACIB identifies in its information systems the outstanding loans that have been subject to forbearance measures, as defined by the ITS 2013-03 of the European Banking Authority. A pre-identification is made first, during the loan approval process, when CACIB studies the clients' requests for credit restructuring. Once the forbearance measure is implemented, the outstanding loans in forbearance are declared under that designation, regardless their internal rating or their accounting treatment.

The outstanding in forbearance (restructured loans according to the new definition) are specified in note 3.1. to the financial statements. Principles of loan classification for accounting purposes are specified in note 1.3. to the financial statements.

Objectives and policy

Risk-taking in Crédit Agricole CIB must be done through the risk strategy definition approved by the Strategy and Portfolio Committee (CSP), chaired by Executive Management. The risk strategies are set for each country, business line or sector carrying a significant risk for the Bank within the scope of control of Crédit Agricole CIB. The strategies define the boundaries within which each business line or geographical entity must conduct its activities: industrial sectors included (or excluded), type of counterparty, nature and duration of transactions and activities or types of products authorized, category or intensity of risks incurred, existence and value of guarantees, overall portfolio volume, definition of individual and overall risk level, diversification criteria.

The definition of a risk strategy on each significant scope, business-sector, country, allows Crédit Agricole CIB to define the risk appetite of the Bank and require quality criteria on the commitments that are taken. It also prevents from excessive concentrations and it leads to a risk diversification of the portfolio profile.

Concentration risks are managed by using specific indicators that are taken into account for granting loans (individual concentration model, capital allocation in the RAROC). Then, concentrations are monitored a posteriori for the entire portfolio by analysing the quantitative measure allocated to this use and based on the Bank's internal model.

Finally, an active portfolio management is done within Crédit Agricole CIB to reduce main concentration risks and also to optimize its uses of shareholders' equity. The CPM uses market instruments such as credit derivatives or securitisation mechanisms to reduce and diversify counterparty risks. The credit syndication from external banks as well as a hedging policy (credit-insurance, derivatives, etc.) are other ways to limit possible concentrations.

Credit risk management

General principles of risk-taking

Credit decisions depend on the upstream risk strategies that are defined above.

Limits are set for all counterparties and groups of counterparties, in order to control the amount of commitments, whatever the type of counterparty (corporate, sovereign, banks, financial institutions, local authorities, SPEs, etc.). Authorisations vary according to the quality of the risk, assessed by an internal rating of the counterparty. The credit decision must form part of the formally approved risk strategies.

Second-level controls on compliance with limits are performed by the RPC, supplemented by a process for monitoring individual risks and portfolio risks, in order to detect any possible deterioration in the quality of the counterparty and Crédit Agricole CIB's commitments as far ahead as possible.

Where the risk is substantiated, a collective and specific impairment policy is put into effect.

New transactions are approved according to a decision-making process based on two front-office signatures, one from a collaborator authorized to make such a request and the other from a delegate empowered to make a credit decision.

The decision is supported by an independent opinion by the RPC approved by an authorized RPC signatory and must take Basel II parameters into account, including the internal rating of the counterparty and the predictive Loss Given Default (LGD) attributed to the proposed transactions; a calculation of ex-ante profitability must also be included in the credit file. In the event that the risk management team's opinion is negative, the decision-making power is passed up to Front-Office delegate the chairman of the immediate higher committee.

Risk measurement methods and systems

■ Internal rating system

The internal rating system covers all methods, procedures and controls used to calculate credit risk, borrower ratings and loss given default figures for all of our exposures.

In 2007, Crédit Agricole CIB received authorisation from the Autorité de Contrôle Prudentiel et de Résolution to use its internal credit risk rating system to calculate regulatory capital requirements.

The methods used cover all types of counterparty and combine quantitative and qualitative criteria.

They are devised using the expertise of the various financing activities within Crédit Agricole CIB, or within the Crédit Agricole Group if they cover customers shared by the whole Group. The rating scale has 15 notches. It has been established on the basis of a segmentation of risk so as to provide a uniform view of default risk over a full business cycle. The scale comprises thirteen ratings (A+ to E-) for counterparties that are not in default (including two ratings for counterparties that have been placed under watch) and two ratings (F and Z) for counterparties that are in default.

▶ Comparison between the internal Group ratings and the rating agencies

Crédit Agricole Group	A+	A	B+	B	C+	C	C-	D+	D	D-	E+	E	E-
Indicative Moody's rating equivalent	Aaa	Aa1/Aa2	Aa3/A1	A2/A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1/B2	B3	Caa/Ca/C
Indicative Standard & Poor's rating equivalent	AAA	AA+/AA	AA-/A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/ CC/C

The relevance of ratings and reliability of data used are secured by a process of initial validation and maintenance of internal models, based on a structured and documented organization applied to the Group and involving the entities, the Risk and permanent Controls Direction and the Audit-Inspection business line.

All internal models used by CA-CIB were the subject of a presentation to the Standards and Methodologies Committee (CNM) for approval before internal validation by the General Inspection. They were also the subject of a validation by the ACPR on January 1, 2008.

Corporates' internal rating is followed according to a system common to Crédit Agricole group; guaranteeing a uniform rating throughout the Group and enabling to share backtesting work for common customers.

Crédit Agricole CIB has ensured that the risk parameters required by Basel II, allowing the calculation of capital requirements, are used as part of the Bank's internal management. They are used by all people involved in the process of granting loans and measuring and monitoring credit risks.

Data used for granting loans and determining ratings are monitored every two months by a data quality committee. This committee is coordinated by the Risk Management Department, and representatives of all business lines take part in it. The committee monitors a set of indicators concerning the quality of data used for rating purposes, as well as the calculation of other Basel II parameters when granting loans, such as loss given default (LGD), credit conversion factor (CCF) and risk reduction factor (RRF). The committee helps business lines apply Basel II requirements and, if necessary, to take remedial action when discrepancies arise. It provides important help in checking that the Basel II system is used properly by the business lines.

■ Backtesting

Backtesting aims at ensuring the robustness, performance and predictive power of the bank's internal models over time. This exercise also helps detecting significant changes in the structure and behavior of portfolios and clients. It then leads to adjustment decisions adjustment, or even recast, of models in order to take into account these new structural elements.

In 2014, backtesting methodologies of parameters «Probability of Default (PD)» were reviewed and validated by the CNM, in response to recommendations issued by the Group General Inspection and the ACPR within the framework of the Corporate mission.

On the backtesting of PD parameter , the following analyzes are carried out:

- Consistency between default rates «Through the cycle (TTC)» observed and PD at the master scale (based on the calculation of a confidence interval around the default rate TTC),
- Analysis of defaults (including discriminating power and more qualitative analysis in the case of «Low Default Portfolio»(LDP)),
- Stability of ratings over time (both in terms of distribution of the portfolio's ratings and of transitions at a year of the portfolio's ratings),
- Analysis of the model parameters (analysis of variables involved in determining ratings, correlations, the evolution of different intermediate notations).

The main goal of the LGD backtesting performed is to regularly compare for all LGD models in IRBA:

- predictive LGD: LGD assigned by the internal model to transactions that constitute the CA-CIB portfolio , on a given date,
- and historical LGD: LGD observed from historical recovery for each transaction as a result of default.

The horizon of risk defined by the regulator is one year; the predictive LGD associated with transactions one year before default should then be compared with LGD finally observed through actual recoveries.

The nature of LGD models and the volume of defects being different for each LGD scope, LGD backtesting studies are adapted to each scope. At least, the LGD backtesting of a scope will compare the predictive and historical LGD quantitatively and / or qualitatively according to volume.

There are three main types of LGD scopes detailed as follows:

- the scope of structured financing: concerning asset financings (aeronautics, Real Estate/Hostels, Rail and Shipping) predictive LGD is obtained from a theoretical model based on the diffusion of assets values, unlike project financings, transactional trading and structured commodities for which predictive LGD is obtained from a grid specific to each model and based on the quality of the sponsor, the asset liquidity, the goods' claim phases or the final buyer…,
- the scope of unsecured corporate, bank, sovereign financing: predictive LGD is obtained from a LGD grid specific to each scope (corporate, banking, insurance ...) involving third party variables such as internal rating , the country risk ...
- the scope of secured corporate, bank, sovereign financing: predictive LGD is obtained by applying the methodologies Factors of Risk Reduction (FRR) for the part covered by a per- sonal or property right and the unsecured LGD grids for the non-covered part.

Thus, default rates' backtesting on Crédit Agricole CIB's large customers in 2014 ensures PD models relevance: the estimated PD over a one-year horizon is indeed confirmed by default rates actually observed over the studied period, or is superior to them.

	PD estimated	Default rate observed in 2013
Corporates	1.00%	0.45%
Banks	0.77%	0.11%

For models under its responsibility, CA-CIB gets back annually to the Group, through the Committee of Backtesting on the one hand and the CNM on the other hand, the results of backtesting allow to confirm the proper application of the selected statistical methods and the validity of results. The summary document proposes, if necessary, appropriate corrective actions (revision of method, recalibration, training effort, recommendations regarding control...).

■ Credit risk measurement

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilized facilities. To measure counterparty risk on capital markets transactions, Crédit Agricole CIB uses an internal method for estimating the underlying risk of derivative financial instruments such as swaps and structured products.

The counterparty risk on markets transactions is subject to the recognition of potential risk arising from the change in market value of derivatives instruments during their residual lifespan. When the netting and collateralization agreements with the counterparty allow, counterparty risk is measured for the portfolio net of eligible collateral. The corporate and investment business uses this method for the internal management of counterparty risk, and it differs from the regulatory approach used to meet the measurement requirements of European, and international capital adequacy ratios or for reporting major risks.

To reduce exposure to counterparty risks, the corporate and investment business enters into netting and collateralization agreements with its counterparties (cf. paragraph 4. below: "Credit risk mitigation mechanism").

Information on credit risks are provided on page 152 of the "Risk factors and Pillar 3" section as well as in note 3 of the notes to the consolidated financial statements.

Portfolio and concentration risks

Decision-making and individual risk monitoring within Crédit Agricole CIB are backed up by a portfolio risk monitoring system that enables the group to assess counterparty risks for its overall portfolio and for each of the constituent sub-portfolios, according to a breakdown by business line, sector, geographic zone, or any delineation that brings out specific risk characteristics in the overall portfolio.

Portfolio reviews are conducted periodically at each profit center in order to check that the portfolio is consistent with the risk strategy in force, to assess the various segments of the portfolio against one another and against any aspects of the operating environment or external impacts that may be influencing them, and finally to reassess if required the internal rating of the counterparties under review.

Different tools were implemented to detect any concentration deemed to be excessive for the entire portfolio, sub-portfolios or at a unit level:

- Unit concentration scales were implemented to give reference points according to the nature, the size, the rating and the geographic area of the counterparty. They are used in the loan-granting process and are periodically implemented to the portfolio to detect concentrations that seem to be excessive a posteriori.
- The concentrations by sector or by geographic area are regularly the subject of supervision, ad hoc analysis and when needed, of recommendations for action. In all cases, concentration risks are taken into account in the risk strategy analysis of each business line or geographic entity.
- Information regarding the level of concentration within portfolios are regularly transmitted to the executive management within the framework of Strategies and Portfolios Committee.

Crédit Agricole CIB employs credit risk modeling tools and in particular uses an internal portfolio model that calculates risk indicators such as: (average) expected loss, average loss volatility and unexpected loss, allowing it to estimate the economic capital required to conduct its business. Average loss and volatility figures enable Crédit Agricole CIB to anticipate the average risk-related cost in its portfolio, and changes therein. Economic capital is an additional measurement of Basel II regulatory capital, to the extent that it allows a more detailed view of the portfolio through a correlation model and parameters calibrated using internal data bases.

The internal portfolio model also takes into account the impact of protection (Credit Default Swaps, securitisations) purchased by Crédit Agricole CIB's Credit Portfolio Management unit. Finally, it measures the effects of concentration and diversification within our portfolio. These effects are studied based on individual and geo-sectorial criteria.

Stress scenarios are the final type of counterparty risk assessment tool. They are regularly produced to estimate the impact of economic scenarios (central, adverse) on some or all parts of the portfolio.

Sector risks

Crédit Agricole CIB's portfolio is analysed by major industrial sector at regular intervals, at least once a quarter. Risks within each sector in terms of commitments, level of risk (expected loss, economic capital) and concentration are examined.

Concentration is assessed on two levels: idiosyncratic and geosectorial. Those analysis can be more or less deepened according to the analyst's needs.

Meanwhile, the economic and financial risks of each significant sector are analysed and leading indicators of deterioration are monitored.

Specific stress scenarii are also prepared when necessary for instance during the strategic review of an entity of the bank.

In the light of these various analyses, measures to diversify or protect sectors at risk of deterioration are recommended.

Country risks

Country risk is the risk that economic, financial, political, legal or social conditions of a foreign country will affect the bank's financial interests. It does not differ in nature from "elementary" risks (credit, market and operational risks). It constitutes a set of risks resulting from the bank's vulnerability to a specific political, social, macroeconomic and financial environment.

The system for assessing and monitoring country risk within Crédit Agricole CIB is based on an internal rating model. Internal country ratings are based on criteria relating to the country, banking system and the economy's solidity, wish and ability to pay, governance and political stability.

Decided in the late 2011, the implementation of the notion of limit to every country, justifying a sufficient business flow following terms that are more or less restrictive depending on the country's rating came to an end in 2013: limits are annually defined for the countries rated "non investment grade" and are reviewed every two years for the countries with better ratings.

In addition, the Bank performs scenario analysis to test adverse macroeconomic and financial assumptions, which give an integrated overview of the risks to which it may be exposed in situations of extreme tension.

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

- acceptable country risk exposure limits are determined through reviews of country strategies, depending on the portfolio's vulnerability to country risk. This degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. These exposure limits may be reviewed more frequently if developments in a particular country make this necessary. These strategies and limits are validated depending on the issues in terms of risks by Crédit Agricole CIB's Strategy and Portfolio Committee (CSP) or Country Risk Committee (CRP) and by Crédit Agricole S.A.'s Risk Management Committee (CRG);
- country risk is evaluated on a regular basis through the production and quarterly updates of ratings for each country to which the Group is exposed. These ratings are produced using an internal country rating model based on various criteria (structural solidity, governance, political stability and ability/desire to pay). Specific events may cause ratings to be adjusted apart from this schedule;

- Country and Portfolio Risk Department validates transactions whose size, maturity and country risk intensity may potentially affect the quality of the portfolio.
- country-risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through specific and regular reports on all countries.

Sovereign-risk exposures are detailed in note 6.8 to the consolidated financial statements.

Counterparty risks on capital market activities

Derivatives and repo transactions carried out by Crédit Agricole CIB as part of its capital market activities generate a risk of credit by the transaction counterparties. Crédit Agricole CIB uses internal methods to estimate the current and potential risk of variation inherent in derivative financial instruments, taking a net portfolio approach for each client:

- the current risk is the amount that would be due by the counterparty in the event of immediate default;
- the risk of variation is the estimated maximum amount of our exposure over the residual life of the transaction, within a given confidence interval.

The methods used are based on Monte Carlo simulations to measure the risk of change in the market value of a portfolio of derivatives over the residual life of the portfolio, based on statistical calculus of movements in the underlying market variables.

The model also takes into account various risk mitigation factors, linked to set-off and collateralisation contracts negotiated with counterparties during the pre-transaction documentation phase.

Specific unfavourable correlation risks (risk that exposure to a counterparty correlates positively with the likelihood of this counterparty defaulting) are monitored regularly to identify cases and included in the calculation of exposures in accordance with regulatory recommendations.

The internal model is used to manage internal limits on transactions with each counterparty and to calculate Basel 2 pillar 2 economic capital via the average risk profile (Expected Positive Exposure) using a global portfolio approach.

As allowed by the regulatory framework, the French Regulatory and Resolution Supervisory Authority (ACPR) authorised Crédit Agricole CIB as of 31 March 2014 to use the internal model method to calculate its capital requirements in respect of counterparty risk. This method uses the model described above to determine Effective Expected Positive Exposure (EEPE) and is applied to all derivatives. The same method is used to calculate credit risk exposures used to determine the capital required to cover credit valuation adjustment (CVA) risk. For repos and derivative transactions by its subsidiaries, Crédit Agricole CIB used the standard approach in 2014.

Credit risk on these market transactions is managed following rules set by the Group. The policy on setting counterparty risk limits is as described in “Credit risk management – Risk-taking general principles”. The techniques used to reduce counterparty risk on market transactions by Crédit Agricole CIB are described in “Credit risk mitigation mechanisms” on pages 203 and 204.

Crédit Agricole CIB includes a credit valuation adjustment (CVA) in its calculation of the fair value of derivative assets. This value adjustment is described in Notes 1.3 to the consolidated financial statements on accounting principles and policies and 10.2 on Information about financial instruments measured at fair value (pages 222 and 292).

The positive fair value of contracts as well as the benefits coming from compensations and securities held, and net exposure on derivatives after the compensation and the securities’ effets are detailed in Note 6.12 relative to the compensation of financial assets on page 267.

Commitments monitoring system

Monitoring system

First-degree controls on compliance with the conditions that accompany a credit decision are carried out by the Front-Office. The Risk Management and Permanent Controls division is in charge of second-level controls.

Commitments are supervised for this purpose, and portfolio business is monitored constantly in order to identify at an early stage any assets that could deteriorate. The aim is to adopt practical initiatives as early as possible so as to protect the Bank’s interests.

■ Commitments monitoring methods

The main methods used in this monitoring are:

- enhanced day-to-day controls on credit decision compliance, in terms of amount and maturity date, for commercial transactions as well as capital market transactions, on all types of counterparties and all categories of counterparty risks generated (risk of change, of delivery, of issuer for the capital market scope; risk of investment, of late payment for the financing scope,…).
- presentation of the detected anomalies in committees, to which business lines’ representatives and Individual risks departments participate. Overruns are thus followed and lead to corrective actions and/or dedicated followings depending on the perimeter : it is bimonthly on the market operations perimeters and quarterly on financing activities perimeter.
- communication to Executive Management of a monthly synthesis and a quarterly presentation during an Internal Control Commitee about the anomalies on markets’ activity scope.

■ A permanent monitoring of portfolio

Several bodies ensure a permanent monitoring of portfolio businesses to detect any possible deterioration or any problem of concentration as early as possible:

- monthly «Early warning» meetings, which endeavour, by various means, to identify early signs of potential deterioration in loans which are healthy but deemed sensitive, in order to reduce or cover the risk exposure;
- quarterly reviews of major risks regardless of the quality of borrowers concerned;
- a regular search for excessive concentrations with respect to the amount of economic capital employed and the amount of existing commitments regularly carried out;
- mappings are carried out monthly for counterparty risks on market transactions (risk of variation calculated under normal and stressed conditions), issuer risks, risks relating to repurchase agreements and lending-borrowing assets, guarantor risks. In 2014, reports on risk management relating to unfavourable correlation risk on credit derivatives, repurchase agreements on bonds and equity have been implemented. These mappings are presented and analysed in the committees dedicated to such matters.

These steps lead to:

- changes in internal ratings of counterparties which are, when needed, classified as “sensitive cases”;
- practical decisions to reduce or cover commitments at risk;
- possible transfers of assets to the specialised recovery unit.

Monitoring of sensitive cases and impairment

Sensitive cases, whether performing debts on the watch list or doubtful or bad debts, are managed on a daily basis within the entities, and enhanced surveillance is carried out on a quarterly basis:

- sensitive cases review committees are held locally every quarter, to provide an update of the scope and changes in impairment for each entity.
- central committees are also convened under the chairmanship of the Risk Management and Permanent Controls division, in order to proceed with a joint examination of these loans’ classification as Doubtful or Sensitive cases.

These committees propose specific impairment decisions which are then validated by the Executive Management.

The definition of default complies with the required Basel II definition; rigorous default identification procedures have been introduced on this basis.

Stress scenarii

Credit stress tests are devised to assess Crédit Agricole CIB’s risk of loss in the event of a serious deterioration in the economic and financial environment.

There are three types of stress scenarii:

- the first aims to reflect the impact of a macroeconomic deterioration affecting the whole portfolio in terms of cost of risk, Basel II regulatory capital needs and impact on the solvency ratio. Such scenario is mandatory in order to comply with the needs of a strengthened prudential supervision required by the Pillar 2 of Basel II. Since a few years, this practice is headed by internationals organisations (ACPR, IMF, EBA) whose aim is to test the financial solidity of the banks and/or the banking system on its whole. The last one is the 2014 EBA/ECB stress test, for which the results have demonstrated the Group ‘s solidity.
- the second, the exercise of budget simulations aims at stressing the central budget of the bank.
- the third focuses on a sector or geographical zone that constitutes a homogeneous set of risks. This category is used if portfolio analysts deem it relevant and is designed for risk strategies and represents a precious help for detecting losses and/or capital needs, especially in the event of an adverse scenario for the part of the portfolio surveyed and that could be a sector of activity, a business or a country. Thus, the selected strategy and notably the packaging expected can be challenged quantitatively as regard to the credit worthiness of the portfolio and to extreme economic situations in which the portfolio could be submitted.

Credit risk mitigation mechanism

Guarantees and collaterals received

Crédit Agricole CIB requires guarantees and collateral from a significant number of its counterparties to reduce its risks, either for financial transactions or market transactions.

The principles for accepting under Basel II, taking into account and managing guarantees and collateral are defined by the Crédit Agricole Group's Standards and Methodology Committee.

This common framework ensures a consistent approach across the Group's various entities. The Committee documents aspects including the conditions for prudential use, valuation and revaluation methods and all credit risk mitigation techniques used within the Crédit Agricole CIB Group.

Crédit Agricole CIB then devises its own operational procedures and arrangements for the detailed management of these guarantees and collateral.

Commitments given and received are presented in Note 8 to the consolidated financial statements.

Use of netting agreements

With the implementation of the recommendations of Basel Committee along with the CRD IV European Directive on regulatory capital, the French Prudential Supervisory and Resolution Authority (ACPR) requires that several conditions have to be strictly respected in order to trigger a close out netting within the framework of determining the regulatory shareholder's equity of a financial institution.

One of these conditions implies that Crédit Agricole CIB must obtain written and motivated legal opinions as well as proceedings "in order to ensure at any time the validity of the novation settlement or the netting convention in case of revised applicable legislations.

The close out netting corresponds to the possibility, in case of default from the counterparty (including the case of an opening of a bankruptcy proceeding) of early cancelling the contract and calculating a full settlement of debts and reciprocal obligations according to a calculus method that would have been contractually worked out.

Thus, the close out netting is an anticipated termination-compensation mechanism which can be separated in three steps:

- anticipated termination of deals under a "master" agreement in case of a default or occurrence of a new circumstance;
- determination of the market value (positive or negative) of each transaction at the date of termination (and the valuation, when appropriate, of the collateral);
- calculation and payment of the net single termination balance including the valuation of the terminated transactions of every collateral and amounts due remaining unpaid (by the party liable for the net amount).

The close out netting can be global and so enables to calculate a net balance on the debts and debt obligations in respect of the master agreement that would have been signed with the counterparty, in case of a default.

The collateral (or collateralization) corresponds to a financial guarantee mechanism designed to over-the-counter markets, allowing securities or cash to pass on in form of guaranty or the transfer in plain property of hedged operations during their lives, that could be netted in case of a default from a counterparty, in order to determine the full settlement of debts and reciprocal obligations resulting from a master agreement that would have been signed with the counterparty.

The implementation of the close out netting and collateralization mechanism is analyzed in each country according typology of contract, counterparty and product.

The effective implementation or not of close out netting and collateralization mechanisms in a given country imply to sort the country either in A country or in B country.

Countries filed in A category are those whose legal and regulatory environment is estimated sufficient to recognize and to implement in a certain way the close out netting and the collateralization mechanisms, even though the counterparty in engaged in a bankruptcy proceeding, contrary to the countries filed in B category in which a risk of non-applicability prevails.

The conclusions of these analyses and the proposals of classification by countries are displayed for endorsement within the framework of the "Netting and collateral policy" Committee (or PNC Committee).

Use of credit derivatives

The Bank uses credit derivatives and a range of risk transfer instruments, including securitisation, in managing its banking book (see Basel III Pillar 3 disclosures).

At 31 December 2014, the notional amount of protection bought by Crédit Agricole CIB in the form of unitary credit derivatives outstanding was €9.9 billion (€9.5 billion at 31 December 2013). The outstanding notional amount of protection sold by Crédit Agricole CIB was €211 million (€284 million at 31 December 2013).

The notional amount of credit derivatives outstandings are included in Note 3.2 "Derivatives instruments: total commitments" on page 242.

Exposures

Maximal exposure to credit risks

Crédit Agricole CIB's maximum exposure to credit risk is the net book value of loans and advances, debt instruments and derivative instruments before the effect of unrecognised netting aggreements and collateral.

in € million	Notes	31.12.2014	31.12.2013 restated
Financial assets at fair value through profit and loss (excluding equity securities)	6.2	351,008	306,516
Hedging derivative instruments	3.4	2,351	1,396
Available-for-sale assets (excluding equity securities)	6.4	24,363	26,797
Loans and receivables to credit institutions (excluding internal transactions)	6.5, 6.14	62,831	64,031
Loans and receivables to customers	6.5, 6.14	125,512	110,601
Exposure to on-balance-sheet commitments (net of impairment losses)		**566,065**	**509,341**
Financing commitments given	8	98,879	103,279
Financial guarantee commitments given	8	40,415	46,850
Provisions-Financing commitments	6.19	(6)	(16)
Exposure to off-balance sheet commitments (net of provisions)		**139,288**	**150,113**
Total net exposure		**705,353**	**659,454**

Concentrations

■ Breakdown of counterparty risks by geographic zone (including bank counterparties)

At 31 December 2014, loans granted by Crédit Agricole CIB (€304 billion) are broken down by geographic area as follows:

Breakdown in %	31.12.2014	31.12.2013
Other Western countries	27.7%	29.2%
France	20.9%	21.3%
North America	20.9%	21.7%
Asia (excluding Japan)	11.6%	11.4%
Japan	7.0%	5.3%
Africa and Middle-East	5.0%	4.9%
Latin America	3.9%	3.2%
Europe (excluding Western Europe and France)	2.6%	2.9%
Other and Supranationals	0.4%	0.1%

Source (on- and off-balance sheet of customer and central banks commercial commitments).

Due from banks, loans and receivables to customers as well as commitments to customers and banks is provided in note 3.1 to the consolidated financial statements.

At 31 December 2014, our sovereign exposure increased mainly towards Japan and France, at the expense of the United States (even if the FED is still our main exposure)and United Kingdom whose exposure has decreased compared to 2013. These variations mask the relative stability the overall balance of the portfolio in terms of distribution between different geographic areas.

■ Breakdown of risks by business sector (including bank counterparties)

At 31 December 2014, loans granted by Crédit Agricole CIB and net of Export Credit Guarantees totalled €288 billion (€304 billion gross amount). It is broken down by business sector as follows:

Breakdown in %	31.12.2014 NET of ECG	31.12.2013	
		NET of ECG	GROSS
Banks	23.3%	27.8%	26.6%
Energy	14.9%	15.1%	15.1%
Miscellaneous	14.1%	13.1%	12.4%
Real estate	4.8%	4.5%	4.2%
Shipping	4.4%	4.4%	5.4%
Heavy industry	4.1%	3.0%	3.2%
Aeronautic/aerospatial	3.5%	3.1%	4.1%
Construction	3.3%	3.2%	3.1%
Automotive	3.1%	2.9%	2.8%
Production & Distribution of consumer goods	2.8%	3.2%	3.0%
Other financial (non-banks)	2.5%	1.9%	2.2%
Other transport	2.5%	2.4%	2.4%
Telecom	2.3%	2.3%	2.5%
Other industry	2.3%	2.2%	2.1%
Insurance	2.2%	2.2%	2.1%
Food	1.9%	1.8%	1.7%
Healthcare and pharmaceuticals	1.7%	1.5%	1.5%
Tourism, hotels and restaurants	1.6%	1.4%	1.3%
IT and technology	1.4%	1.2%	1.1%
Non-commercial services/Public sector/Local authorities	1.2%	0.9%	1.4%
Media and publishing	0.9%	0.8%	0.7%
Wood, paper and packaging	0.5%	0.6%	0.5%
Utilities	0.5%	0.5%	0.5%

Source : Risk data (on- and off-balance sheet of customer and central banks commercial commitments, net of Export Credit Guarantees (ECG).

In terms of the allocation among segments, the portfolio's overall balance remained essentially stable relative to the previous year. The few changes are described below.

Outstandings with banks are still concentrated on the central banks of the following five countries: United States, France, United Kingdom, Japan and Switzerland.

Energy remains the largest non-financial business, with a portfolio weighting that fell slightly to 14.9%. This figure is consistent with energy's weighting in the global economy. This segment also includes a highly diverse range of underlyings, companies and types of financing, most of which are secured by assets. The vast majority of our exposure to the oil sector involves counterparties that are structurally immune to or positioned to either benefit from or withstand falling oil prices. Our exposure to the oil segments more heavily exposed to falling prices (exploration, production and oil services) is currently being monitored very closely (freeze on certain investments, stress tests with very conservative oil price assumptions, etc.).

More than one-half of the exposures of the "Miscellaneous" segment, the third-largest, are securitisations (mainly liquidity facilities granted to securitisation programmes financed through our conduits). The other commitments involve clients with highly diversified businesses (mainly wealth management / financial holding companies).

Our exposure to the property sector increased significantly in 2014. Our portfolio consists mainly in European assets, primarily mortgages aimed at investors and property companies. The other financing transactions involving the Corporate segment relate mainly to large property companies and typically include interest rate hedges. The balance of our commitments includes guarantees issued on behalf of leading French property developers and interest rate hedges for social housing market participants (mainly public-sector agencies) in France.

The weight of the transport segments (aeronautics, shipping, automobile) rose slightly but remained under considerable pressure due to our continued conservative management of these sectors, which have been adversely affected by the economic crisis. The maritime segment activities revolve around Crédit Agricole CIB's expertise and position in asset financing for ship owners. Shipping has undergone a market downturn since late 2008, but our portfolio is relatively insulated by the quality of the financing structures. In most cases, our shipping financings are secured by the assets being financed, which are of recent vintage

and diversified. Aeronautics sector financings involve either asset financing (here again with very high-quality assets), lending to leading global manufacturers or financing of airports, typically in the top tier. The automobile portfolio is also focused mainly on large manufacturers, principally European companies, with limited development in the automotive supplier segment.

Heavy industry includes mainly large companies in the steel, metals and chemicals sectors. Some of these multinationals have experienced a drop in demand.

The telecom segment has commitments on operators and suppliers, most based in Europe and to a lesser extent in Asia. This segment includes a few LBO financing transactions but comprises mainly Corporate lending.

The consumer goods production and distribution segment includes mainly large French retailers with a global footprint. Their rating remains strong despite the competitive environment in which they are doing business.

■ Exposure to loans and receivables by type of borrower

The concentrations of loans and receivables by type of borrower and commitments given to credit institutions and customers are presented in note 3.1 of the consolidated financial statements.

In 2014, gross loans and receivables increased by 10% from €153 billion (restated) to €169 billion at 31 December. They consist essentially in large corporates and credit institutions (67% and 25% respectively at 31 December 2014, compared with 59% and 24% respectively at 31 December 2013, restated).
Similarly, financing commitments given to customers went mainly to large corporates (97% compared with 76% at 31 December 2013 restated).

■ Exposure to top ten counterparties (customers)

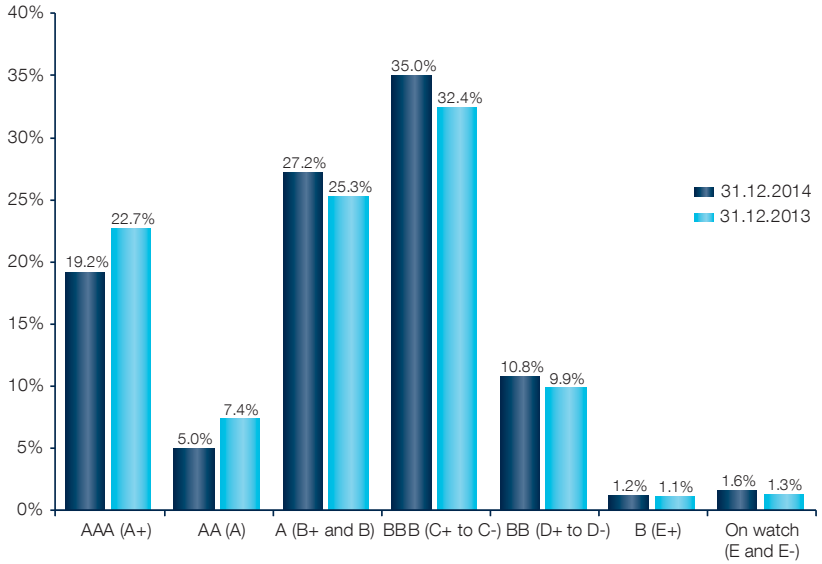
The ten largest counterparties accounted for 18.2% of Crédit Agricole CIB's total exposures at 31 December 2014, down from 22% one year earlier.

Quality of the exposure

■ Quality of the portfolio exposed to credit risk

At 31 December 2014, gross performing loans to customers totalled €298 billion. Their ratings broke down as follows:

Breakdown in %	31.12.2014	31.12.2013
AAA (A+)	19.2%	22.7%
AA (A)	5.0%	7.4%
A (B+ and B)	27.2%	25.3%
BBB (C+ to C-)	35.0%	32.4%
BB (D+ to D-)	10.8%	9.9%
B (E+)	1.2%	1.1%
On watch (E and E-)	1.6%	1.3%



The quality of the portfolio deteriorated in 2014, with a drop in the relative number of outstandings rated AAA. The relative share of investment grade outstandings remained stable at around 85% of the portfolio. This situation reflects the portfolio's strength in a challenging market environment.

■ Impairment and risk hedging policy

The policy for covering potential loan losses is based on two types of impairment:

- Individual impairment designed to cover probable losses on impaired receivables;
- Collective impairment in accordance with IAS 39, recognised when objective evidence of impairment is identified on one or more groups of homogeneous loans as regards their credit risk profile.

Individually impaired assets

The breakdown of impaired loans and receivables due from credit institutions and customers by type of borrower and geographic area is presented in note 3.1 of the consolidated financial statements. These financial statements specify impairment on doubtful and irrecoverable loans and receivables.

Collective provisions

In accordance with IAS 39, collective provisions are established when objective evidence of impairment is identified:

- assets that already show increased risk: impairment is based on statistical data relating to the expected losses until maturity of the transactions;
- sectors and countries subject to monitoring: these provisions are designed to cover estimated risks on a sector or geographic basis for which there is a risk of partial non-recovery.

The sub-portfolios in which sector provisions were established at end-2014 included the LBO, property (in certain geographic segments), and certain maritime and automotive segments as well as, to a lesser extent, certain parts of the air and surface transport, tourism and energy sectors.

Countries for which a collective provision was established are those whose ratings were below a certain threshold in our internal rating scale, which qualifies them as countries subject to monitoring.

Collective impairment totalled €1,402 million at 31 December 2014 for the activities(*) of Crédit Agricole CIB (incl. UBAF).

(*) excluding CDO/CLO/ABS market transactions

Country risk policy

2014 began with the prospect of more sustained economic growth (3.7%), thanks to favourable trends in the United States and Japan, a modest recovery in Europe (notably in the United Kingdom and Germany) and resilience in emerging countries. In recent months, however, the outlook darkened, and according to the International Monetary Fund global economic growth is not expected to surpass 3% in 2014 and will be barely higher in 2015.

2014 was marked by significant political tensions with Russia due to the Ukrainian crisis, which began with the annexation of Crimea and led to several waves of sanctions against Russia by Western countries. These tensions are still lingering, with very little visibility on how the situation will play out in 2015.

Another key event that has continued since the summer of 2014 involves the sharp decline in oil prices, which lost more than half their value during this period. This decline should have a positive impact on certain oil importing countries such as India, Brazil, Indonesia, South Africa and Turkey while facilitating a potential rebound in the European economies, albeit somewhat offset by the euro's slide against the US dollar. Lastly, commodity prices continue to trend downward in the light of the weak global economic growth and slowing Chinese growth in particular.

In 2014, the Bank reviewed the strategies and limits for more than 50 countries in which it does business as well as those of more than 20 product lines, roughly 40 country portfolios and around 15 business lines. It also updated country ratings quarterly.

2015 outlook

The global economic growth outlook for 2015 remains modest (around 3%), still marked by the slowdown in China's growth, Russia's nascent recession and stagnation in Brazil, but supported by improvement in the US economy and favourable European prospects thanks to ECB quantitative easing, falling interest rates, the euro's depreciation and continued low oil prices. In this slightly more favourable environment, Crédit Agricole will continue to support its clients with their business development, including in foreign markets, while ensuring compliance with established internal control measures.

Changes in emerging country exposure

At 31 December 2014, commercial commitments with emerging countries, excluding the low-rated Western European countries (Italy, Spain, Portugal, Greece, Cyprus, Ireland, Iceland) are presented net of export credit and all other guarantees (regardless of whether they are full and unconditional). These commitments, which are monitored on a quarterly basis by Crédit Agricole S.A., totalled €35.2 billion (including the UBAF portion), a 9% increase since end-2013. The increase was mainly due to the change in the EUR/USD exchange rate, which fell by 12% from 1.3791 at end-December 2013 to 1.2141 at end-December 2014.

The concentration of loans and receivables with emerging countries, excluding low-rated countries in Western Europe and UBAF, remained stable relative to end-2013, with 97% of Crédit Agricole CIB's portfolio concentrated on 33 countries, of which 12 accounted for 85% of the total.

In 2014, the portfolio's overall risk profile, excluding the low-rated Western European countries, continued to improve, as the relative share of the portfolio in investment grade countries rose from 71% to 75% at end-2014.

The emerging country portfolio remains highly concentrated on two regions: Asia and the Middle East.

In 2014, excluding the impact of the euro's slide against the dollar on loans and receivables, the emerging countries portfolio contracted slightly. With a gradual return to more sustained global economic growth in 2015, business activity should recover in the emerging countries in 2015, barring any major geopolitical events that might disrupt this trend.

Asia

Asia remains the region with the highest emerging country risk exposure (excluding the low-rated European countries), with outstandings stable relative to last year at €13 billion, or 37.2% of the commercial exposure for the corresponding country scope, and highly concentrated in two countries, China and India.

Middle East and North Africa

The Middle East and North Africa is the region with the second highest exposure among emerging countries, with 23.6% of outstandings, or €8.3 billion, up 9% from the previous year largely as a result of the changes in the EUR/USD exchange rate. Saudi Arabia and the United Arab Emirates remain the countries with the highest exposures.

Latin America

This region represents 20.5% of Crédit Agricole CIB's emerging country portfolio, or €7.2 billion, up 44% from the previous year, mainly as a result of the increase in outstandings with Brazil and Mexico.

Eastern Europe

The relative exposure of the Eastern Europe region remained essentially unchanged relative to the previous year, with outstandings of €5.2 billion, or 15% of the emerging countries portfolio. This exposure is concentrated mainly on Russia.

Sub-Saharan Africa

End of 2014, this region represented 4% of the commercial portfolio for emerging countries, or €1.4 billion, up 40% from the previous year and concentrated on South Africa, Angola, Gabon and Ghana.

MARKET RISKS

The Market Risk Department (Département des Risques de Marché - DRM) is responsible for identifying, measuring and monitoring market risk, which is defined as the risk of potential losses to which Crédit Agricole CIB is exposed through market positions held and resulting from changes in various market parameters and from the independent valuation of results.

As an example, several market risks relevant to Crédit Agricole CIB may be noted:

- Interest rate

These risks are assessed in detail: maturity, underlying rate indices, currencies.

- Equity

Crédit Agricole CIB's equity risk is focused on the "Equity Capital Market" activity, which covers large European corporates (financing, equity placement guarantee, management of company savings plans, convertible bond issues, lending and borrowing, etc.).

- Credit

Through its market-making activity for the main OECD sovereign debt issues and its customers' bond issues, Crédit Agricole CIB is exposed to changes in the risk premium on securities in which it deals.

- Currency

Crédit Agricole CIB's activity on behalf of our investor and corporate clients exposes us to currency market fluctuations.
Our presence in many countries also results in structural currency positions that are managed through Asset and Liability committees.

- Volatility risk

The market value of some derivative products changes depending on the volatility of the underlying, rather than in relation to the market's volatility. These risks are subject to specific limits.

Market risk control system

■ Scope of intervention

The DRM's scope essentially covers market transactions executed by:

- the Treasury, Foreign Exchange, Credit and Rates business lines, which are combined in the Global Market Division (GMD);
- the Equity Capital Market (ECM) business, which is part of the on-going Equity activities);
- the Distressed Business Units (DBU) department, which represents all discontinuing activities. This scope includes:
  - the equity positions transferred to BNP Paribas;
  - the residual positions from the so-called complex credit securitisation portfolios (CDO, CLO, etc.);

For this scope, the DRM monitors all the trading portfolios of French and foreign subsidiaries and branches that are consolidated in the Crédit Agricole CIB financial statements.

DRM also controls market risks of the Credit Portfolio Management (CPM) department, whose dual mission is to manage the macro counterparty risk of Crédit Agricole CIB and to minimise the cost of capital of the banking books.

■ DRM's organisation and missions

The DRM organisation complies with regulatory standards and takes into account Crédit Agricole CIB's business line organisation and market activity developments.

The basic principles guiding the DRM's organisation and operations are:

- independence of the DRM's functions, both as regards operating departments (front offices) and other functional departments (back offices, middle offices, accounting);
- an organisation suited to the activities to be controlled, ensuring appropriate and specialised treatment for each type of market activity as well as the consistent application of methodologies and practices, regardless of where the activity is being performed or its accounting location;

To perform these various assignments at the global level, the DRM consists in three divisions:

- Activity Monitoring, which is responsible for:
  - daily validation of management results and market risk indicators for all activities subject to market risk limits;
  - controlling and validating market parameters in an independent environment from the front office.

  Lastly, through joint responsibility with the Finance Department, it participates in the monthly reconciliation between the management result and reported result.
- Risk Management, which monitors and controls market risks for all product lines, namely:
  - establishing sets of limits, monitoring breaches and re-establishing compliance with the limits, and monitoring significant changes in results, which are notified to the Market Risk Committee;
  - analysing risks carried by product line;
  - in co-ordination with Activity Monitoring, second-level validation of risks and monthly reserves.
- Cross-functional teams round out this system by ensuring the harmonisation of methods and treatment among product lines. They combine the following functions:
  - the quantitative research staff, which is responsible for validating the models;
  - the team responsible for the internal model (VaR, stress scenarios, IRC, etc.);
  - the Market Data Management team, which performs second-level controls on independent market data;
  - the Consolidation team, whose main mission is to produce the consolidated information for the department;
  - the Chief Operating Officer (COO) and his team, who perform tasks such as monitoring the main budget items (employees and global IT budgets), the organisation of the main department reports, co-ordination of DRM actions in the New Activity and New Product committees and the administration of various cross-functional projects within the DRM.

■ Market Risk Decision and Monitoring Committee

The entire system is placed under the authority of the Market Risk Committee. The Committee, chaired by the Executive Management of Crédit Agricole CIB, meets twice a month. It monitors and analyses market risk and corresponding trends. It ensures compliance with monitoring indicators, specific management rules and defined limits. It sets limits for operating divisions within the overall budget set by the Strategies and Portfolios Committee. In addition, the Group Risk Committee (Crédit Agricole S.A.) sets overall limits that are also reported at the Committee meetings.

The Market Risk Committee comprises members of Crédit Agricole CIB's Executive Committee, a representative member of the Crédit Agricole S.A. Group Risk Department, the heads of Market Risk Management and the operating heads of Market Activities.

The Liquidity Risk Committee, chaired by Crédit Agricole CIB's Executive Management, meets twice a month. It monitors and analyses liquidity risk and corresponding trends. It ensures compliance with monitoring indicators, specific management rules and defined limits and the proper application of Group standards.

The Committee comprises in particular Crédit Agricole CIB's Executive Management, the head of Group Financial Risk, the Head of Group Treasury, the heads of GMD, Treasury and Foreign Exchange, the heads of the Finance Department and of ALM and the heads of Market Risk Management.

The Liquidity Risk Committee also serves as the Liquidity Emergency Plan Committee in the event of a crisis.

■ 2014 projects affecting the DRM's scope

As from 1 July 2014, French Banking Law stipulates that depending on the size of their balance sheets and consolidated assets, banks should segregate their proprietary trading activities in an ad-hoc subsidiary, with certain exceptions defined by the law.

Crédit Agricole CIB therefore mapped its activities and implemented the related authorisations. This analysis revealed that none of the Bank's activities fall into the trading portfolio or proprietary trading category, and as a result it is not required to create an ad-hoc subsidiary. All of this information was submitted to the regulators on 1 July 2014. The DRM participated in the validation of the mapping and the corresponding authorisations, and starting in the second half it also participated in the working group created to define and deploy indicators at the operating level. These indicators are control tools used to justify the appropriate match between the activities and the defined authorisations.

In 2014, the decision was made to redeploy the structured business in a gradual, controlled manner. This redeployment comes in a market environment marked by low interest rates, which results in increased demand from the Bank's strategic clients for this type of product, in addition to the existing supply. A stronger control system was established in order to control this redeployment.

As part of the most recent capital requirements directive (CRD IV), Crédit Agricole CIB established adjustment calculations related to prudent valuation as regards mark-to-market calculations.

Methodology for measuring and controlling market risks

■ Value at Risk (VaR)

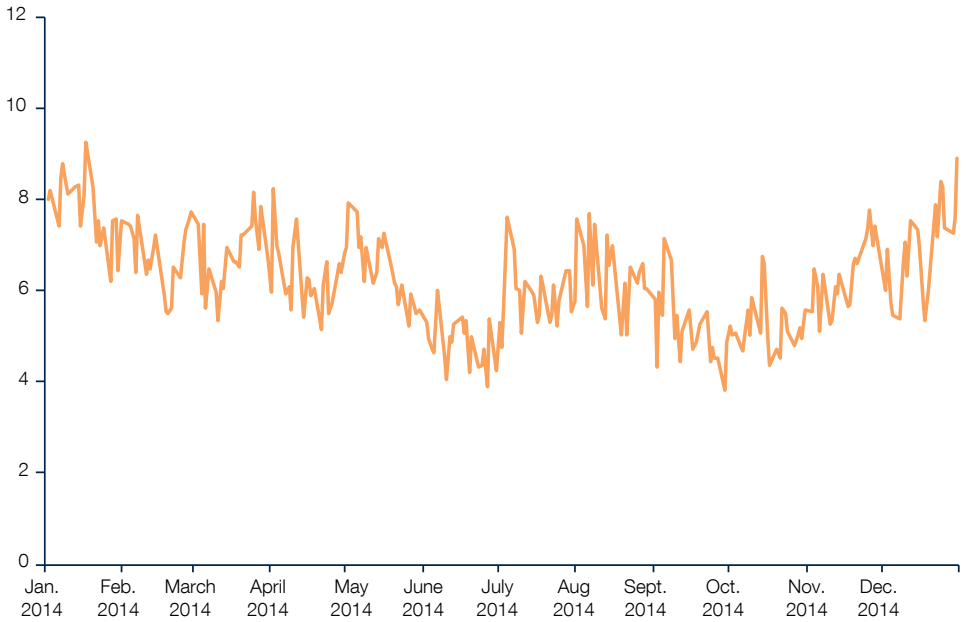
VaR is calculated daily on all positions. It represents the potential one-day loss with a 99% confidence interval.

Since VaR does not recognise extreme market conditions, it should not be confused with the concept of maximum loss. Stress scenarios are therefore used in addition to this system in order to measure these extreme risks.

■ Change in regulatory VaR in 2014

The chart below shows Crédit Agricole CIB's VaR trend for the regulatory scope in 2014.

Regulatory VaR of Crédit Agricole CIB in 2014 (€ million)



In 2014, regulatory VaR averaged €6 million (down from an average of €11 million in 2013) and ranged between a lower limit of €3.8 million and an upper limit of €9.3 million.

In the first half of the year, Crédit Agricole CIB's regulatory VaR trended at very low levels, reaching all-time lows as from end-May 2014, i.e. between €4 million and €6 million. This trend was mainly due to:

- the decrease in market volatility, which resulted in the removal of the most volatile scenarios from the VaR calculation period (12-month moving average);
- the removal of CVA hedges from regulatory VaR at 1 January 2014 following the application of CRD IV.

As from October, Crédit Agricole CIB's VaR rose and reached €9 million at 31 December 2014. The change in VaR during this period was linked to greater market volatility, largely due to the uncertainty concerning ECB's implementation of quantitative easing, geopolitical tensions (Russia-Ukraine crisis) and the drop in commodity prices, in particular oil prices.

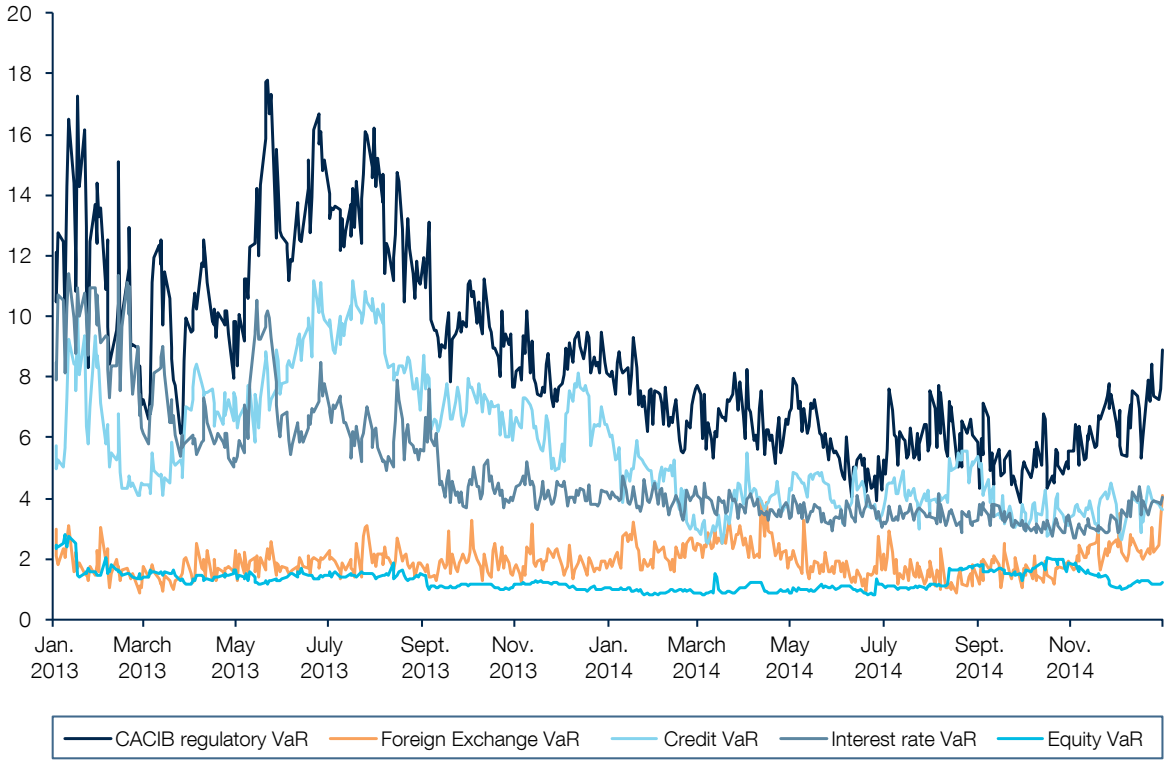
Regulatory VaR statistical data are presented in the table below, followed by comments.

(€ million)	2014				2013			
	Minimum	Average	Maximum	End of year	Minimum	Average	Maximum	End of year
Total VaR	**3.8**	**6**	**9**	**9**	**5.8**	**11**	**17.8**	**8**
Netting	(6,1)	(3)	(1)	(4)	(3)	(6)	(10)	(5)
Rates	3	4	5	4	4	6	11	4
Equity	1	1	2	1	1	1	3	1
Foreign Exchange	1	2	4	4	1	2	3	2
Credit	3	4	6	4	4	7	11	6

The prudent approach to market risk management persisted in 2014, with a reduction in the average VaR by €4.8 million from year on year. This measured risk-taking is most noticeable for the scope of the Rates activity. Lastly, the year-end increase in VaR was caused by a more volatile market environment.

The graph below depicts changes in regulatory VaR and the VaR for each Crédit Agricole CIB business line since 1 January 2013.

Regulatory VaR and VaR for each Crédit Agricole CIB business lines over 2013-2014 (€ million)



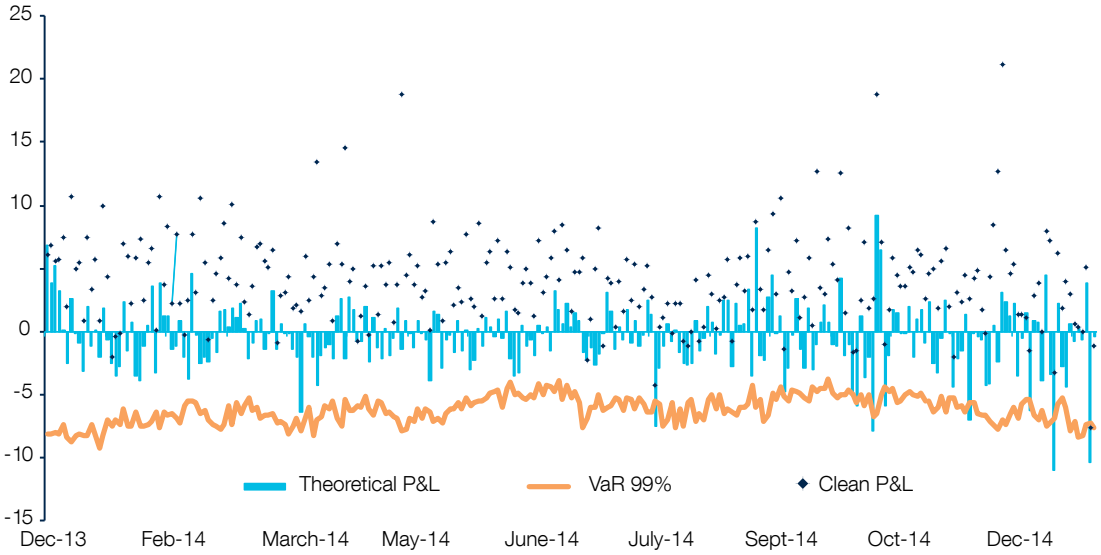
■ VaR backtesting

The VaR backtesting method for the Crédit Agricole CIB regulatory scope compares daily VaR amounts with the so-called clean or actual daily P&L (excluding reserves) on the one hand and with the theoretical P&L (restated for reserves and new trades) on the other.

In 2014, therefore, one exception to clean P&L and eight exceptions to the theoretical P&L (including seven in the last quarter) were recorded. These seven exceptions toward year-end were due to high market volatility, notably in the light of expectations of ECB quantitative easing and major geopolitical tensions related to Russia.

At this point, Crédit Agricole CIB has not identified any anomalies in the internal model related to these exceptions, which reflect a change in the market environment (transition from low to high volatility).

Backtesting of the regulatory VaR of Crédit Agricole CIB over 2014 (€ million)



■ Capital requirements related to the VaR

At 31 December 2014, the capital requirements related to the VaR amounts to €94 million.

€ million	Minimum	Average	Maximum	31 December 2014
VaR	68	82	103	94

■ Stressed regulatory VaR statistics

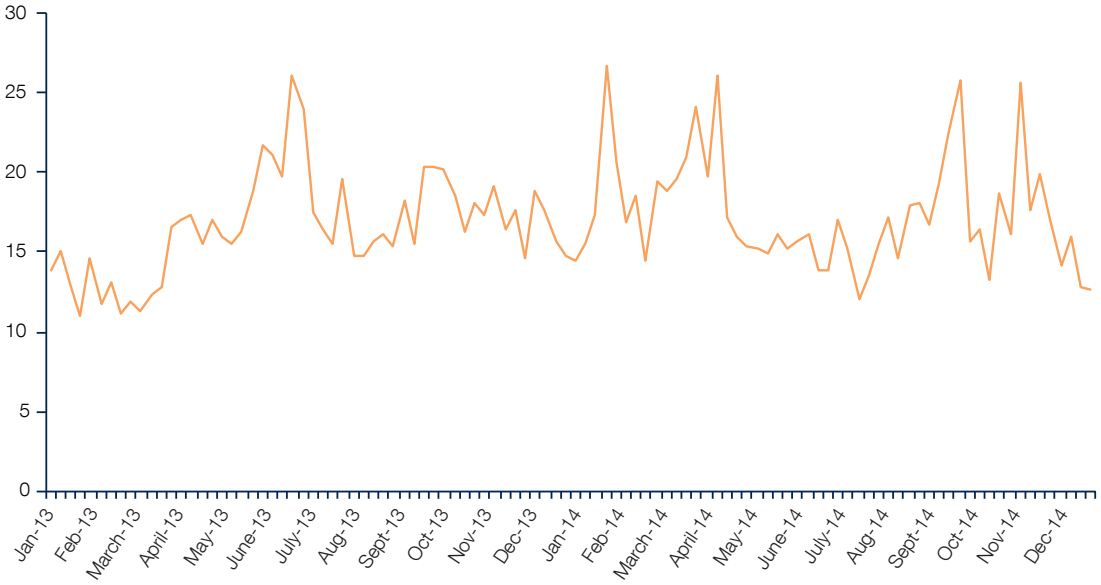
If the historical data used to calculate VaR shocks originate in low-volatility market situations, the resulting VaR will have a low level. To compensate for this pro-cyclical bias, the regulator introduced a new measure known as stressed VaR.

Stressed VaR is calculated using the "initial" VaR model for a confidence interval of 99% and a one-day horizon, and over a period of stress that corresponds to the most severe period for the most significant risk factors. This stress period is recalibrated each year.

■ Change in stressed regulatory VaR in 2014

The chart below shows the changes in Crédit Agricole CIB's stressed regulatory VaR over the 2013-2014 period.

Regulatory stressed VaR (99%,1 day) (€ million)



In 2014, the increases in the stressed VaR were due to more or less favourable offsetting impacts among product lines.

It should be noted that the change in the stressed VaR period occurring in early July did not have a significant impact, as the new period was largely similar to the previous one.

The stressed VaR levels in 2014 were comparable to those of 2013, as shown by the statistical table below, in line with Crédit Agricole CIB's prudent management policy.

The following table compares the data for stressed regulatory VaR with that of regulatory VaR:

(€ million)	2014				2013			
	Minimum	Average	Maximum	End of year	Minimum	Average	Maximum	End of year
Stressed regulatory VaR	**12**	**17**	**27**	**13**	**11**	**17**	**26**	**15**
Regulatory VaR	4	6	9	9	6	11	18	8

■ Capital requirements related to the stressed VaR

At 31 December 2014, the capital requirements related to the stressed VaR amounts to €251 million.

€ million	Minimum	Average	Maximum	31 December 2014
Stressed VaR	189	227	264	251

■ CVA VaR statistics

CRD IV introduced a new capital charge to reflect Credit Value Adjustment (CVA) volatility, i.e. a valuation adjustment on assets known as CVA Risk, whose purpose is to recognise credit events affecting our counterparties in the valuation of OTC derivatives. As such, CVA is defined as the difference between the valuation without default risk and the valuation that takes into account the probability of default of our counterparties.

Under this directive, institutions authorised to calculate their capital requirements using the internal model for counterparty risks and as regards specific interest rate risk must calculate their CVA risk capital charge using the advanced method ("CVA VaR"). This method is calculated on the basis of expected positive exposures on trades of OTC derivatives with "Financial Institutions" processed by Crédit Agricole CIB (parent company) and its branches, excluding intra-Group trades. Lastly, the system used to estimate the capital requirements is the same as the one used to calculate the market VaR for the specific interest rate risk.

The French Prudential Supervisory and Control Authority (ACPR) validated the CVA VaR model, and with the entry into force of CRD IV (Basel III) from 1 January 2014, the additional capital required in connection with the CVA (VaR and stressed VaR) is now calculated.

■ Change in CVA VaR in 2014

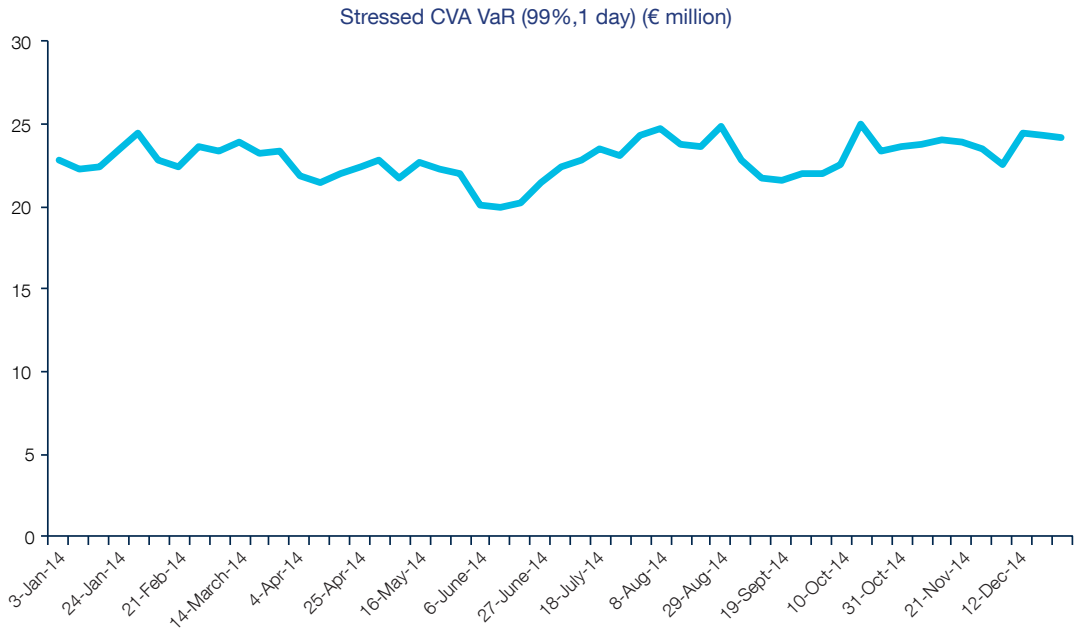
The chart below shows the changes in Crédit Agricole CIB's CVA VaR over 2014.



In terms of trends, 2014 was marked by a steady downward trend in CVA VaR from €8 million to €4 million, although in December it jumped back up to its level at the start of the year in an environment of greater market volatility.

■ Change in stressed CVA VaR in 2014

The chart below shows the changes in Crédit Agricole CIB's stressed CVA VaR over 2014.



The stressed CVA VaR remains relatively stable over the period, oscillating around €22 million.

■ Capital requirements related to the CVA

The capital requirements related to CVA amounts to €351 million at 31 December 2014.

€ million	Minimum	Average	Maximum	31 December 2014
CVA	321	359	410	351

Stress Tests

Stress tests were developed to assess the ability of financial institutions to withstand a shock to their activities. This shock may be economic (economic downturn for example) or geopolitical (conflict between countries).

To satisfy regulatory requirements and complete its VaR measurements, Crédit Agricole CIB thus applies stress scenarios to its market activities in order to determine the impact of particularly strong disruptions (omitted in VaR) on the value of its accounts. These scenarios are developed using three complementary approaches:

1. historical approaches, which replicate the impact of major past crises on the current portfolio. The following historical scenarios were used:

- 1994 crisis: bond crisis scenario;
- 1998 crisis: credit market crisis scenario, which assumes an equity market downturn, sharp interest rate hikes and declines in emerging country currencies;
- 1987 crisis: stock market crash scenario;
- October 2008 crisis and November 2008 crisis (these latter two scenarios reproduce the market conditions following the insolvency of the investment bank Lehman Brothers);

2. hypothetical scenarios, which anticipate plausible shocks and are developed in collaboration with economists. The hypothetical scenarios are:

- economic recovery (rising equity and commodity markets, strong increase in short-term interest rates and appreciation of the US dollar, and tightening of credit spreads);
- tightening of liquidity (sharp increase in short-term rates, widening of credit spreads, equity market decline);
- a scenario representing economic conditions in a situation of international tensions between China and the United States (increased volatility and falling equity markets, decline in futures prices and rising volatility in the commodities market, flattening yield curves, slide in the US dollar relative to other currencies, and widening of credit spreads).

3. two so-called contrasting approaches (one ten-year and one extreme) which consist in adapting assumptions to simulate the most severe situations depending on the structure of the portfolio when the scenario is calculated:

- a so-called "adverse ten-year" approach, assessing the impact of large-scale and adverse market movements for each activity individually. The calibration of the shocks is such that the scenario has a probability of occurrence about once every ten years and the initial period before the bank reacts to the events is around ten days. The measured losses under this scenario are controlled through a limit;
- lastly, a so-called "adverse extreme" approach that makes it possible to measure the impact of even greater market shocks, without much regard for potential offsetting impacts of the different risk factors. The Extreme Stress scenario therefore calculates the impact of highly unlikely events that would nevertheless have a very detrimental impact should they occur. That contrasts with the adverse ten-year stress scenario, whose adverse impact is not sufficiently severe. This indicator is also subject to a limit set in agreement with Crédit Agricole S.A.

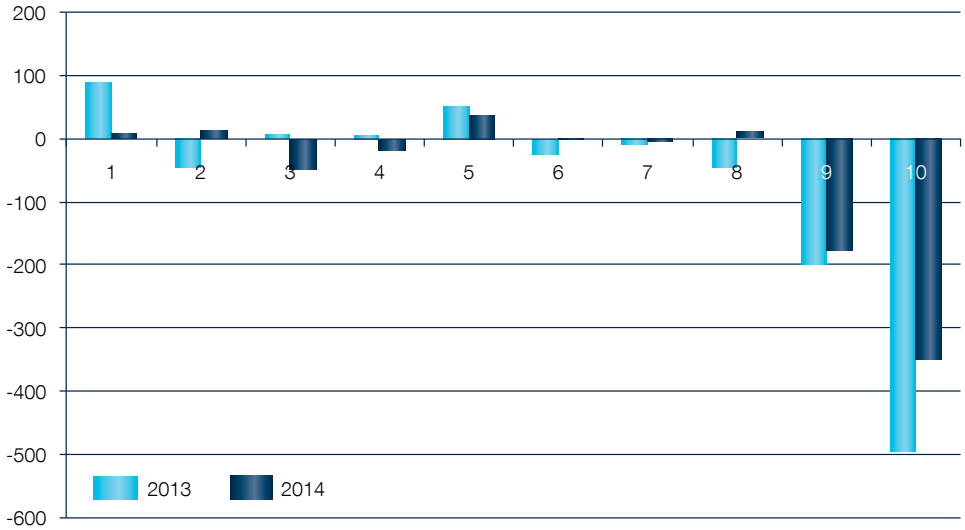
Overall stresses are calculated on a weekly basis and presented to the Crédit Agricole CIB Market Risk Committee twice a month.

Meanwhile, specific stress scenarios are developed for each business line. They are typically produced on a weekly basis. These scenarios make it possible to analyse the specific risks of the various business lines more effectively.

Lastly, adverse and extreme stress was established for the economic CVA scope (accounting).

The chart below compares stress trends in 2013 and 2014:

Average stress amounts in 2013 and 2014 (€ millions)



1: 1987 crisis
2: 1994 crisis
3: 1998 crisis
4: October 2008 crisis
5: November 2008 crisis
6: Economic recovery
7: Liquidity tightening
8: International tensions (US/China)
9: Ten-year stress - Adverse
10: Ten-year stress- Extreme

Stress levels (excluding CVA) observed in 2014 are generally well below the limits (the average consumption rate in 2014 was 35% for the ten-year adverse stress and 36% for the extreme adverse stress).

From 2013 to 2014, stresses of all types did not change significantly, with the exception of the extreme adverse stress, whose average value fell sharply during the year from €495 million in 2013 to €357 million in 2014. This stability in the observed stress levels reflects the continuity of Crédit Agricole CIB's prudent management policy.

Other indicators

The VaR measurement is combined with a complementary or explanatory set of indicators, most of which include limits:

- the sets of limits enable specific control of risks. Reproduced for each activity and trading desk, they specify the authorised products, maximum maturities, maximum positions and maximum sensitivities; they also include a system of loss alerts;
- other analytical indicators are used for explanatory purposes by Risk Management. They include in particular notional indicators in order to reveal unusual transactions;
- in accordance with CRD III (entry into force on 31 December 2011), Crédit Agricole CIB has established specific default risk measurements on the credit portfolios, known as the IRC and the CRM.

■ Capital requirements related to the IRC, standard method

The Incremental Risk Charge (IRC) is an additional capital requirement on so-called linear credit positions (i.e. excluding

credit correlation positions), required by the regulator in CRD III following the subprime crisis.

The purpose of the IRC is to quantify unexpected losses caused by credit events affecting issuers, i.e. defaults or rating migrations (both upgrades and downgrades).

In other words, the IRC recognises two risk measures:

1. Default risk (potential gains and losses) due to the default of the issuer;
2. Migration risk, which represents potential gains and losses following a migration of the issuer's credit rating and the impact of related spreads.

The IRC is calculated with a confidence interval of 99.9% over a one-year risk horizon using Monte Carlo simulations.

The simulated default and credit migration scenarios are then valued using Crédit Agricole CIB pricing models. The range of mark-to-market valuations provides a distribution, from which a 99% confidence level calculation makes it possible to determine the IRC.

At 31 December 2014, the capital requirements related to the IRC totalled €234 million.

€ million	Minimum	Average	Maximum	31 December 2014
IRC	234	298	386	234

The Comprehensive Risk Measure (CRM) measures the risks of default and a rating change as well as the market risks on the credit correlation portfolio. The correlation portfolio's market risks were transferred to an investment fund managed by BlueMountain Capital; the CRM was therefore nil in 2014. The final measure required by the supervisory authorities is the standard method, which is used to calculate the capital requirements for the scope of the other securitisation portfolios.

The capital requirement in connection with the standard method was €15 million at 31 December 2014.

€ million	Minimum	Average	Maximum	31 December 2014
CRD3 standard method	13	14	15	15

■ Capital requirements in connection with prudent valuation

In accordance with CRD IV, the Basel III Committee requires that each bank calculate a "prudent valuation" on the assumption that fair value recognition does not always provide a prudent measure. The purpose of the prudent valuation is therefore to define a detailed framework of independent accounting standards making it possible to value all trading and banking book positions recognised at fair value with a 90% confidence interval.

Prudent valuation is defined as a set of nine additional valuation adjustments (AVA): market price uncertainty, close-out costs, model risk, concentrated positions, unearned credit spreads, investing and funding costs, early termination, future administrative costs and operational risks. All of these various categories are then aggregated and deducted from Common Equity Tier 1.

The adjustment calculation based on the requirement issued by the EBA on 31 March 2014 produced a capital requirements impact of €467 million at 31 December 2014.

SENSITIVE EXPOSURES BASED ON THE FINANCIAL STABILITY BOARD RECOMMENDATIONS

The following disclosures are made in accordance with the recommendations of the Financial Stability Board. They form an integral part of Crédit Agricole CIB's consolidated financial statements for the period ended 31 December 2014 and, accordingly, are covered by the Statutory auditors' annual report on financial information.

Summary table of exposures presented below at 31 December 2014

in € million	Assets recognised as loans and receivables				Accounting category	Assets recognised at fair value			Accounting category
	Gross exposure	Discount	Collective provision	Net exposure		Gross exposure	Discount	Net exposure	
RMBS	25	(2)	0	23	(1)	24	(2)	22	(3)
CMBS	3	0	0	3		6	0	6	
Unhedged super senior CDOs (*)	662	(640)	(22)	0	(2)	1,242	(1,226)	16	
Unhedged mezzanine CDOs	20	(20)	0	0		200	(200)	0	
Unhedged CLOs	206	(1)	0	205		18	0	18	
Insurance purchased from monolines						58	(33)	25	(4)
Insurance purchased from CDPCs						4	0	4	

(1) Loans and receivables to credit institutions and customers – securities not listed in an active market (see note 6.5 of the consolidated financial statements)
(2) Loans and receivables to customers – securities not listed in an active market (see note 6.5 of the consolidated financial statements)
(3) Financial assets at fair value through profit and loss – bonds and other fixed-income securities and derivative instruments (see note 6.2 of the consolidated financial statements)
(4) Financial assets at fair value through profit and loss – derivative instruments (see note 6.2 of the consolidated financial statements)
(*) The above table presents CDOs consolidated by Crédit Agricole CIB.
In order to make the financial information more transparent and facilitate comparisons with previous financial periods, the presentation of the CDOs in the consolidated balance sheet is made by referring to the legal structure of these entities. The line-by-line consolidation of each of the underlying assets of these CDOs, mainly RMBS, has no significant impact on the consolidated balance sheet of Crédit Agricole CIB.

Mortgage ABS

€ millions	United States		United Kingdom		Spain	
RMBS	**31.12.2013**	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**	**31.12.2014**
Recognised as loans and receivables						
Gross exposure	27	0	56	25	49	0
Discount[1]	(21)	0	(5)	(2)	(5)	0
Net exposure (€ millions)	**6**	**0**	**51**	**23**	**44**	**0**
Recognised as assets measured at fair value						
Gross exposure	37	0	35	22	5	2
Discount	(33)	0	(5)	(2)	(0)	(0)
Net exposure (€millions)	**4**	**0**	**30**	**20**	**5**	**2**
% underlying subprime on net exposure	**100%**	**100%**				
Breakdown of total gross exposure by rating						
AAA	0%	0%	0%	0%	0%	0%
AA	0%	0%	0%	4%	0%	0%
A	0%	0%	100%	96%	97%	100%
BBB	0%	0%	0%	0%	3%	0%
BB	0%	0%	0%	0%	0%	0%
B	0%	0%	0%	0%	0%	0%
CCC	0%	0%	0%	0%	0%	0%
CC	0%	0%	0%	0%	0%	0%
C	14%	0%	0%	0%	0%	0%
Unrated	86%	0%	0%	0%	0%	0%

€ millions	United States		United Kingdom		Spain	
CMBS	**31.12.2013**	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**	**31.12.2014**
Recognised as loans and receivables						
Net exposure[1]			10	0	22	3
Recognised as assets at fair value						
Net exposure				3	2	3

[1] of which, no collective provision at 31 December 2014, compared with €31 million at 31 December 2013.

In addition, insurance purchased on RMBS and CMBS measured at fair value:

- 31 December 2014: nominal = €22 million; fair value = €6 million.
- 31 December 2013: nominal = €59 million; fair value = €51 million.

The valuation of mortgage ABS measured at fair value is based on information provided by external sources.

Method used to value super senior CDOs with US residential mortgage underlyings

Super senior CDOs measured at fair value

Super senior CDOs are valued by applying a credit scenario to the underlyings (primarily residential loans) of the ABS making up each CDO.

The final loss percentages in existence are:

- calibrated on the basis of the quality and origination date of each residential loan
- expressed as a percentage of the nominal. This approach enables us to visualise our loss assumptions based on our risk remaining in the Bank's balance sheet.

	Subprime loss rates produced in		
Closing date	**2005**	**2006**	**2007**
31.12.2013	50%	60%	60%
31.12.2014	50%	60%	60%

The resulting future cash flows are then discounted using a rate that takes into account the liquidity of this market.

Super senior CDOs measured at amortised cost

Since the fourth quarter of 2012, they are amortised using the same methodology as the super senior CDOs measured at fair value, only the resulting future cash flows are discounted on the basis of the effective interest rate at the date of reclassification.

Unhedged super senior CDOs with US residential mortgage underlyings

At 31 December 2014, Crédit Agricole CIB's net exposure on unhedged super senior CDOs was €16 million (after a collective provision of €22 million on assets recognised as loans and receivables).

Breakdown of unhedged super senior CDOs with US residential mortgage underlyings

€ millions	Assets at fair value	Assets recognised as loans and receivables
Nominal	**1,242**	**662**
Discount	1,226	640
Collective provision		22
Net value	**16**	**0**
Net value at 31.12.2013	10	0
Discount rate [1]	**99%**	**100%**
Underlying		
% of underlying subprime assets produced before 2006	12%	0%
% of underlying subprime assets produced in 2006 and 2007	34%	0%
% of underlying Alt A assets	3%	0%
% of underlying Jumbo assets	0%	0%

[1] After recognition of tranches fully written down.

Other exposures at 31 December 2014

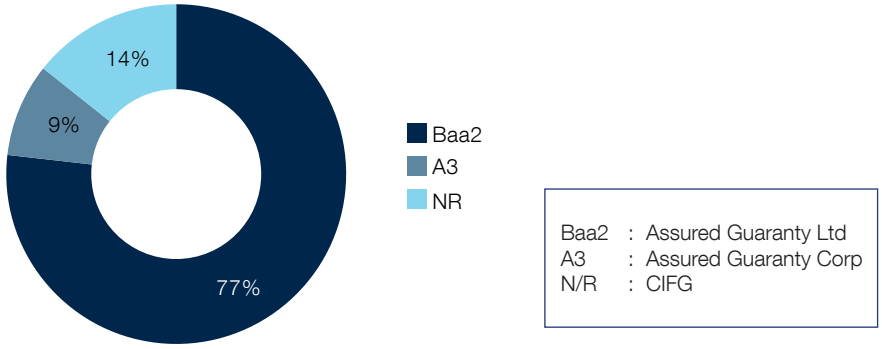
€ millions	Nominal	Discount	Collective provision	Net
Unhedged CLOs measured at fair value	18	(0)		**18**
Unhedged CLOs recognised as loans and receivables	206	(1)		**205**
Unhedged mezzanine CDOs measured at fair value	200	(200)		**0**
Unhedged mezzanine CDOs recognised as loans and receivables *	20	(20)		**0**

* Mezzanine CDO tranches arising from the liquidation of a CDO formerly recognised under loans and receivables.

Insurance purchased from monolines at 31 December 2014

€ millions	Monolines to hedge				Total insurance purchased from monolines
	US residential CDOs	Corporate CDO	CLO	Other underlyings	
Gross notional amount of insurance purchased	60	1,125	299	187	**1,671**
Gross notional amount of hedged items	60	1,125	299	187	**1,671**
Fair value of hedged items	44	1,125	293	151	**1,613**
Fair value of insurance before value adjustments and hedges	**16**	**0**	**6**	**36**	**58**
Value adjustments recognised on the insurance	(1)		(5)	(27)	**(33)**
Residual exposure to counterparty risk on the monolines	**15**	**0**	**1**	**9**	**25**

Breakdown of net exposure on monolines at 31 December 2014 (*)



(*) Lowest rating issued by Standard & Poor's or Moody's at 31 December 2014.

Insurance purchased from credit derivative product companies (CDPCs)

At 31 December 2014, net exposure with CDPCs was €4 million (compared with €10 million at 31 December 2013), mainly on corporate CDOs.

ASSET AND LIABILITY MANAGEMENT - STRUCTURAL FINANCIAL RISKS

Financial Management policies of Crédit Agricole CIB are defined by the Asset and Liability Management Committee in close coordination with Crédit Agricole S.A..

This Committee is chaired by the Deputy Chief Executive Officer in charge of Finance. The Committee includes the members of the Executive Committee, the Heads of Finance, of Treasury, a representative of the Crédit Agricole S.A. Finance Division and representatives of the Crédit Agricole S.A. and Crédit Agricole CIB Market Risk Management.

This Committee is led by the Crédit Agricole CIB Head of Asset and Liability Management and Credit Portfolio Management.

This Committee meets quarterly and it is the decision-making body for the Group asset and liability management policy. It intervenes either in direct management or in supervision and in general coordination for the areas of Asset-Liability Management that are formally delegated to foreign branches and subsidiaries.

Finance Division (via Asset and Liability Management) is responsible for implementing the decisions taken by the Asset and Liability Management Committee.

Financial Risk Management includes the monitoring and the supervision of interest-rate risks (excluding trading activities), structural and operational exchange-rate risks and liquidity risks of Crédit Agricole CIB in France and abroad. It particularly includes direct management of equity and long-term financing positions.

The cost of Financial Risk Management is reinvoiced to the business lines according to their contribution to risks.

Global interest-rate risk

Objectives and policy

Global interest-rate risk management aims to protect commercial margins against rate variations and to ensure a better stability over time of the equity and long-term financing components' intrinsic value.

The intrinsic value and the interest margin are linked to the sensitivity in the interest-rate variation of the net present value and in cash flow variation of the financial instruments in the on and off balance sheet. This sensitivity arises when assets and liabilities have different maturities and dates for interest-rate refixing.

Risk management

Each operating entity manages its exposure under the control of its own Asset-Liability Management Committee in charge of ensuring compliance with the Group limits and standards.

The Asset-Liability Management of the head office within the framework of its mission of coordination and supervision- and the Market Risk Management which attends the Local Committees ensure the harmonization of the methods and the practices within the Group as well as the monitoring of the limits assigned to each entity.

The Group global interest-rate exposure is disclosed to the Crédit Agricole CIB Asset-Liability Management Committee which:

- examines consolidated exposures determined at the end of each quarter;
- ensures compliance with Crédit Agricole CIB limits which are set during the Crédit Agricole S.A. Group Risk Management Committee;
- decides on management measures on the basis of the proposals made by the Asset-Liability Management.

Method

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

This consists of determining maturity schedules and interest rates for all assets, liabilities and hedging derivatives at fixed or adjustable interest rates:

- until the adjustment date for adjustable-rate items,
- until the contractual date for fixed-rate items,
- and using model-based conventions for items without a contractual maturity.

The gap measurement includes the rate hedging effect on fair value and cash flow hedges.

Exposure

Crédit Agricole CIB risk exposure to interest rate risk on retail operations is limited because of the rate backing rule on each client financing by market teams and because of the reduced volume of non-interest bearing deposits.

The interest rate risk mainly comes from capital, investments, modeling of unpaid liabilities, and from maturities under one year of the banking book's Treasury activities.

The Group is mainly exposed to the Euro zone and, to a lesser extent US dollar, interest rate variation.

Crédit Agricole CIB manages its interest rate risk exposure within a range defined by Credit Agricole S.A.: €10 billion up to two years, €1.1 billion on average between 3 and 7 years, and €0.75 billion up to 10 years. Crédit Agricole CIB also has an overall limit in Net Present Value (NPV) all currencies defined by Crédit Agricole S.A. amounting to €400 million.

Interest-rate gaps measure the surplus or deficit of fixed-rate resources. Conventionally, a positive gap represents an exposure to a risk of falling interest rates during the period.

The results of these measurements at 31 December 2014 reflect that Crédit Agricole CIB is exposed to a fall in interest rates:

€ billion	0-1 year	1-5 years	5-10 years
Average gap US dollar	-0.2	+0.1	+0.1
Average gap Euro and other currencies	-0.1	+0.8	+0.4

In terms of net banking income sensitivity for the first year (2015), Crédit Agricole CIB could earn €32 million of revenues in case of a long-lasting 200-basis-point decrease in the interest rates, that is to say a 0.74% sensitivity for a reference net banking income of €4,352 million in 2014.

Based on these same sensitivity calculations, the net present value of the loss incurred in the next ten years in the event of an adverse 200-basis-point movement in the yield curve equals less than 0.72% of the Group's prudential capital.

In addition, the income impacts of eight stress scenarios (five historical and three hypothetical) regarding the interest rate gap are measured on a quarterly basis and reported to the ALM Committee.

The scenarios are those used by Crédit Agricole CIB's Treasury department:

- the historical scenarii are: a major equity market crash (Black Monday in 1987); a surge in interest rates (bond crash in 1994); a sharp increase in issuer spreads (rise in credit spreads in1998); the 2008 financial crisis linked to the US mortgage market.
- Hypothetical scenario are based on: the assumption of an economic recovery (rise of the equity market, of rates in general, of the USD spot, of oil and decrease of issuer spreads); a liquidity crisis following the Central Bank decision to increase its key rates; frictions in international relations as a result of stalled business relationships between China and the United States (increase in US rates, a collapse of US equity market, widening of credit spreads and depreciation of the USD compared to other currencies, especially the Euro).

Simulations are made using the sensitivity of Crédit Agricole CIB's interest-rate mismatch. Sensitivity is defined as the gain or loss arising from a 2% change in interest rates. This sensitivity is calculated in EUR and USD. The calculation is based on average outstandings over a rolling 1-year period.

The shocks contained in these scenarios are calculated on a 10-day basis, according to Crédit Agricole CIB's stress scenario methodology. Sensitivity is "shocked" in various ways. The result of a stress test corresponds to the net present value of changes in the scenario's characteristics.

These stress scenarios display relatively limited impacts, since the net present value of the maximum potential loss equalled 0.44% of accounting capital and 1.63% of net banking income at 31 December 2014.

Exchange-rate risk

Currency risk is assessed mainly by measuring net residual exposure, taking into account gross foreign exchange positions and hedging.

Structural exchange-rate risk

The Group's structural exchange-rate risk results from its otherthan temporary investments in assets denominated in foreign currencies, mainly the equity of its foreign operating entities, whether they result from acquisitions, transfers of funds from Head Office or the capitalisation of local earnings.

In most cases, the Group's policy is to borrow the currency in which the investment is made in order to immunise that investment from currency risk. These borrowings are documented as investment hedging instruments. In some cases, particularly for illiquid currencies, the investment gives rise to purchases of the local currency. Currency risk is then hedged, if possible, through forward transactions.

The Group's main gross structural foreign exchange positions are denominated in US dollar, in US dollar-linked currencies (mainly Middle Eastern and some Asian currencies), in sterling and in Swiss franc.

The Group's policy for managing structural foreign exchange positions aims at achieving two main goals:

- first, to reduce the risk of impairment loss of the assets under consideration;
- second prudential by exception, to protect the Group's solvency ratio from currency fluctuations; in that purpose unhedged structural currency positions will be scaled so as to equal the proportion of risk-weighted assets denominated in the curren cies concerned and unhedged by other types of equity in the same currency.

Hedging of structural currency risk is managed centrally and ar ranged following decisions of the FIN Structural Exchange Committee and of the Bank's Asset and Liability Management Committee.

Crédit Agricole CIB's structural currency positions are also included with those of Crédit Agricole S.A., which are presented four times a year to its Assets and Liabilities Committee, chaired by Crédit Agricole S.A.'s CEO. They are also presented once a year to the Group Risks Committee.

Operational exchange-rate risk

The Bank is further exposed to operational exchange-rate positions on its foreign-currency income and expenses, both at Head Office and in its foreign operations.

The Group's general policy is to limit net operational exchange rate positions as far as possible by periodically hedging them, usually without prior hedging of earnings not yet generated except if they have a high probability and a high risk of impairment.

Rules and authorizations applicable to the management of operational positions are the competence, depending on their level of importance, of the annual CRG (limits) or the quarterly Asset- Liability Committees of Crédit Agricole CIB, or delegations of authority to of the FIN / ALM / CPM departments.

The different foreign currencies's contributions are detailed in Appendix Note 3.2 "Currency risk" on page 243.

Liquidity and financing risk

The Crédit Agricole CIB Group is, like all credit institutions, exposed to the risk of not having sufficient funds to honour its commitments. This risk could for example be realised in the event of a mass withdrawal of customer or investor deposits or during a confidence crisis or even a general liquidity crisis in the market (access to interbank, monetary and bond markets).

Objectives and policy

Crédit Agricole CIB's first goal in terms of managing its liquidity is to always be able to cope with any prolonged, high-intensity liquidity crises.

The Crédit Agricole CIB Group is part of the Crédit Agricole group's scope when it comes to liquidity risk management and uses a system for measuring and containing its liquidity risk that involves maintaining liquidity reserves, organising its funding activities (limitations on short-term funding, staggered scheduling of long-term funding, diversifying sources of funding) and balanced growth in the assets and liabilities sides of its balance sheet.

A set of limits, indicators and procedures aims to ensure that this system works correctly.

This internal approach includes ensuring we stick to the liquidity coefficient established by the Ministerial Decree of 5 May 2009 on identifying, measuring, managing and controlling liquidity risk, with which the group's credit institutions must comply.

Risk management

Within Crédit Agricole CIB, the responsibility for liquidity risk management is spread across a number of departments: Finance/ Asset & Liability Management (ALM) in charge of medium-and long-term funding management; Global Markets Division/Treasury responsible for the operational management of short-term liquidity funding under the delegation of the ALM; and the Risk Department which is in charge of validating the system and ensuring all rules and limits are observed.

■ Decisional steering

The ALM committee at the Crédit Agricole CIB Group sets and tracks its Assets/Liabilities Management policy. Together with the Management Committee, it makes up the executive governance body and sets all the operational limits for Crédit Agricole CIB. It is a decision-making body for all major issues especially tracking the raising of MLT funds and monitoring short and long-term limits.

If any tensions arise on the funding markets, joint monitoring committees may be set up involving the General Management, the Risk Department, the Finance Division and the Treasury in order to monitor the Group's liquidity status as closely as possible. Such committees have in fact been meeting regularly since July 2011, given the adverse market conditions and the liquidity constraints imposed on Crédit Agricole CIB.

■ Operational steering

From an operational viewpoint, roles are broken down as follows:

- Steering and monitoring short-term liquidity, up to two years inclusive, is the responsibility of the ALM, which delegates the task to the Treasury Department;
- The task of medium/long-term liquidity management has been allocated to the ALM.

In terms of steering short-term liquidity, the Treasury business line is responsible for the operational management of short-term liquidity funding on a global level.

It is in charge of daily global management tasks for the short-term funding of the Crédit Agricole CIB Group, coordinating spreads on issue and managing the Treasury's liquid assets portfolio. Within each cost centre, the Treasurer is locally responsible for managing funding activities within allocated limits. He reports to the Crédit Agricole CIB Treasurer and the local Assets/Liabilities committee. He is also responsible for ensuring compliance with all local regulations applicable to short-term liquidity.

In terms of medium- and long-term funding management, this is the responsibility of the Finance Department/ALM which is in charge of measuring and monitoring medium/long-term liquidity risk, of tracking any long-term liquidity funding that is raised by the Bank's market desks, of planning and tracking issue programmes, of ensuring issue price consistency and of invoicing liquidity to the consuming business lines

2014 refinancing conditions

In addition to traditional sources of short-term liquidity, Crédit Agricole CIB seeks to diversify its funding sources proactively, notably through the establishment of a structured issues programme specific to the US market, a domestic commercial paper programme in Japan and the establishment of a CD programme based in London and intended for sale in Asia.

Crédit Agricole CIB's long-term liquidity comes from customer deposits, interbank loans and various debt security issues (certificates of deposit, BMTNs, EMTNs).

Crédit Agricole CIB makes regular use of its Euro medium-term note (EMTN) programmes. At 31 December 2014, total amounts issued through EMTN programmes represented approximately €16 billion under UK law and €6 billion under French law. Crédit Agricole S.A. issued two covered bonds collateralised by Crédit Agricole CIB export credits.

The issues made as part of these programmes in order to meet the needs of Crédit Agricole CIB's international and domestic customers are "structured" issues, i.e. the coupon that is paid and/or the amount that is reimbursed upon maturity includes a component that is linked to one or more market indices (equity, interest rate, exchange rate or commodity). Likewise, some issues are known as credit-linked notes i.e. the reimbursement is reduced in the event of default of a third party defined contractually at the time of the issue.

Maintenance of a well-balanced balance sheet in 2014

In 2014, Crédit Agricole CIB continued to strengthen its balance sheet by increasing the volume of stable funding through deliberate efforts to increase customer deposits.

Methods

The system for managing and monitoring Crédit Agricole CIB's liquidity is built around a number of risk indicators:

- Short-term indicators comprising mainly crisis scenario simulations, the aim of which is to manage maturities and the volume of short-term funding based on liquidity reserves, to monitor short-term gross and net debt and to measure static and dynamic gaps in varying conditions;
- Long-term indicators for measuring medium-and long-term liquidity risk, mainly through monitoring the concentration of long-term funding maturity dates, producing a one-year overall maturity mismatch gap, tracking specific one-year transformation limits set by currency, and using MLT diversification indicators to limit any concentration of funding sources.

The stable funding position, defined as the long-term sources surplus over long-term assets aims to protect business lines from consequences of a market stress.

The definition of these indicators and the way they are to be tracked is established in a set of rules which have been examined and validated by Crédit Agricole CIB and the Crédit Agricole Group.

In 2014, the Group Risk Comitee increased the alert threshold of the stable funding position and extended stress scenarios' survival horizons.

Operationally, the liquidity management and supervision system relies on an internal tool that measures and analyses the indicators described in the rules and which makes it possible to track liquidity and ensure all limits are being respected.

In addition, regulatory liquidity ratio measurements have been used to help track risk (measurement, forecasts, management). In 2014, in this respect, the European Commission publised the LCR delegated act and the Basel Committee issued the revised NSFR text. The bank monthly calculates its Liquidity Coverage Ratio on a consolidated basis and declares it to the French Regulatory and Resolution Supervisory Authority (ACPR). The Net Stable Funding Ratio [NSFR] has been the subject of preliminary analysis and simulations.

Exposures

French credit institutions are governed by a standard coefficient that was defined in the Ministerial Decree of 5 May 2009 and which came into force in June 2010. This liquidity coefficient is the ratio of cash and cash equivalents with short-term maturities, on the one hand, to short-term liabilities, on the other. It is calculated monthly, on a stand-alone basis, with the minimum threshold being 100%.

As at 31 December 2014, Crédit Agricole CIB (S.A.)'s liquidity coefficient was 141% (vs. 129% as at 31 December 2013).

Crédit Agricole CIB's standard permanent control procedure is similar to that of the Group. The minimum control indicators are the same and apply to all major processes in the same way. In 2014, the liquidity risk monitoring system relied in particular on a number of tests carried out at various levels involving existing key processes.

Rate and change risks hedges

By managing its financial risks, Crédit Agricole CIB uses interest rate swaps and forex transactions, as hedging operations as regards the intention for which they are undertaken.

The note 3.4 to the Group consolidated financial statements presents the market values and notional amounts of derivative financial instruments held for hedging.

Fair value hedges

The aim is to protect the intrinsic value of fixed-rate financial assets and liabilities that are sensitive to changes in interest rates, by hedging them with instruments that are also at fixed rate. When hedging takes place through derivatives (swaps), the derivatives are termed fair value hedging derivatives.

Hedging carried out in this respect by Asset-Liability Management relates to non-interest-bearing private-banking customer deposits, which are analyzed as fixed-rate financial liabilities.

Cash flow hedges

The second aim is to protect interest margin so that interest flows generated by variable-rate assets financed by fixed-rate liabilities (working capital in particular) are not affected by the future fixing of interest rates on these items.

When the required neutralisation takes place through derivatives (swaps), these derivatives are termed cash flow hedging derivatives.

According to IFRS 7, future interests related to balance sheet items under cash flow hedge strategy are detailed below, by maturity.

31.12.2014				
in € million	**0 to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Hedged cash flows to receive	16	177	148	**341**
Hedged cash flows to pay	0	1	0	**2**

▶ Documentation under IFRS of fair value and cash flows hedges

As regards macro-hedges managed by Asset-Liability Management, hedge relationships are documented from inception and checked quarterly through forward and backward looking tests.

For this purpose, hedged items are classified by maturity, using the characteristics of contracts or, for items without contractual maturities (such as demand deposits), runoff models based on each product's behaviour. The comparison between this maturity schedule and that of the derivative instrument allows efficiency of hedging to be assessed.

Net investment hedges

The instruments used to manage structural exchange-rate risk are classified as hedges of net investments in foreign currencies. The effectiveness of these hedges is quarterly documented.

OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings in internal procedures or information systems, human error or external events that are not linked to a credit, market or liquidity risk.

Management of operational risks

The Risk Management and Permanent Controls division is responsible for supervising the system, and it is overseen by the Management Board through the operational risk section of Crédit Agricole CIB's Internal Control committee. This system is described in the Report by the Chairman of the Board to the shareholders' meeting on Page 60.

Governance

Operational risk management specifically relies on a network of permanent controllers, who also perform the functions of operational risk managers, covering all Group subsidiaries and business lines, and who are supervised by the Risk Management and Permanent Controls division.

The system is monitored by internal control committees under the authority of each entity's management. Head office control functions are invited to the meetings of these committees.

Risk identification and qualitative assessments

In accordance with principles in force within the Credit Agricole S.A. Group, Crédit Agricole CIB's Risk and Permanent Control Department implemented a qualitative and quantitative system designed to identify, assess, prevent and monitor operational risk, as required by the Basel II reform.

The operational risk mapping process is applied to all Group entities. These risk maps allow Crédit Agricole CIB to supervise the most sensitive processes and to draw up control plans. They are annually updated.

Operational loss detection and significant incident reporting

A unified procedure for loss detection and for reporting significant incidents has been set up across the whole scope of Crédit Agricole CIB. The data required by the internal model for calculating the economic capital allocation, in accordance with the Basel II advanced method, are consolidated into a single database that provides six years of historical data.
It should be noted that Newedge exited the internal control scope since the first quarter of 2014.

Calculation and allocation of economic capital

Capital requirements are calculated annually at the Crédit Agricole CIB level, based on historical loss data together with risk scenarios. They are then allocated by Basel business lines.

Capital requirement is calculated using the internal AMA methodology (Advanced Measurement Approach) of Crédit Agricole Group applied on Crédit Agricole CIB's perimeter.

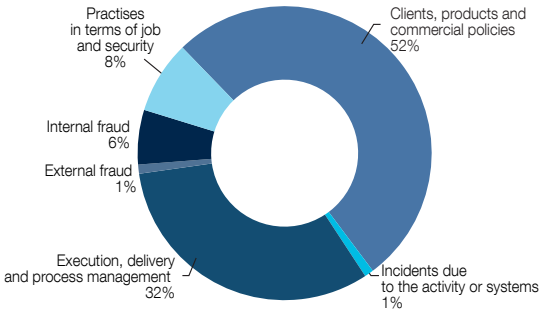
This model has been validated at the end of 2007 by the French Regulatory and Resolution Supervisory Authority (ACPR).

Production of operational scorecards

The Risk Management and Permanent Controls division produces a quarterly operational risk scorecard, highlighting key events and movements in costs related to these risks. These scorecards provide global confirmation of the main sources of risks: litigation with customers and management of processes (including those relating to market transactions) which determine the priorities of preventative or remedial action plans.

Exposures

Breakdown of operational losses by nature on the basis of impact on the financial results in euros over the 2012-2014 period.



Insurance and risk coverage

Crédit Agricole CIB has broad insurance coverage of its insurable operating risks in accordance with guidelines set by its parent company, Crédit Agricole S.A., with the aim of protecting its balance sheet and its income statement.

Crédit Agricole CIB is covered by all Group policies taken out by Crédit Agricole S.A. from major insurers for major risks including fraud, all-risk securities (or theft), operating loss, professional liability, operational liability, directors and officers liability and property damage (furniture and IT, third party claims for risky buildings).

In addition, Crédit Agricole CIB, like all the Crédit Agricole S.A. Group's business-line subsidiaries, manages smaller risks itself that cannot be insured in an economically satisfactory manner are kept in the form of deductibles or spread within the Crédit Agricole S.A. Group by the one of the Crédit Agricole Group's insurance companies.

This general framework may vary according to local regulations and the specific requirements of countries in which the Crédit Agricole CIB Group operates. It is generally complemented by local insurance.

LEGAL RISKS

The main legal and tax proceedings outstanding at Crédit Agricole CIB and its fully consolidated subsidiaries are described in the "Legal risks" part of the "Risks factors and Pillar 3" section of the 2013 self-registration document. The cases presented below are those that have evolved since 24 March 2014, the date on which registration document no. D. 14-0192 was filed with the AMF.

Any legal risks outstanding at 31 December 2014 that could have a negative impact on the Group's net assets have been covered by provisions corresponding to the best estimation by the Executive Management on the basis of the information it had.

To date, to the best of Crédit Agricole CIB's knowledge, there is no other governmental, judiciary or arbitration proceeding (or any proceeding known by the Company, in abeyance or that threatens it) that could have or has had, in the previous 12 months, any substantial effect on the financial situation or the profitability of the Company and/or the Group.

Exceptional events and claims:

Office of Foreign Asset Control (OFAC)

United States laws and regulations require adherence to economic sanctions put in place by the Office of Foreign Assets Control (OFAC) on certain foreign countries, individuals and entities. OFAC, the Department of Justice (DOJ), the office of the District Attorney of New York County (DANY) and other American governmental authorities would like to know how certain financial institutions made payments denominated in US dollars involving countries, individuals or entities that had been sanctioned.

Crédit Agricole CIB Group and Crédit Agricole S.A. conducted an internal review of payments denominated in US dollars involving countries, individuals or entities that could have been subject to such sanctions and are cooperating with the American authorities as part of such requests.

The conclusions of the review are shared with the US authorities during meetings at which the bank presents its arguments.

It is currently not possible to know the outcome of these discussions and presentations, nor the date when they will be concluded.

If the US regulatory authorities deem it necessary based on the observations made during these reviews, they may impose enhanced compliance programmes, or financial penalties, as they have done for other financial institutions.

Crédit Agricole CIB sued by Aoroza LTD

On 18 June 2013, the Japanese bank Aozora LTD ("Aozora") sued Crédit Agricole CIB and Crédit Agricole Securities (U.S.A) in the Federal Court of New York regarding a CDO structured by Crédit Agricole CIB, called "Millstone IV". Aozora had invested US$34 million in this CDO and claims to have suffered losses as a result of the structuring of the CDO. Aozora is demanding repayment of the investment, damages of US$34 million and the repayment of charges and fees, the amounts of which have not yet been stated. Crédit Agricole CIB has contested this claim before the competent court.

Euribor/Libor and other indices

Crédit Agricole CIB and its parent company Crédit Agricole S.A., in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: i) the calculation of the Libor (London Interbank Offered Rates) rate in a number of currencies, the Euribor (Euro Interbank Offered Rate) rate and certain other market indices; and ii) transactions connected with these rates and indices. These requests cover a number of periods running from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole CIB and its parent company carried out investigations in order to gather the information requested by these various authorities and in particular the American authorities - the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent notification of grievances to Crédit Agricole CIB and to Crédit Agricole S.A. pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor. Crédit Agricole CIB and Crédit Agricole S.A. are responding to the European Commission within the deadlines, which have not all been set.

Moreover, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks.

The two class actions in which Crédit Agricole S.A. and Crédit Agricole CIB have been named, along with other financial institutions, as plaintiffs for one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. for the other ("Lieberman" for the Libor) are suspended at present for procedural reasons in the Federal Court of the State of New York. The proceedings are still at the preliminary stage to determine their admissibility. At the opportune time, Crédit Agricole CIB and Crédit Agricole S.A. will file a motion to dismiss. These class actions are civil actions in which the plaintiffs allege that they are victims of the methods used to set the Euribor and Libor rates, and claim repayment of the sums they allege were unlawfully received, as well as compensation and reimbursement of costs and fees paid.

Switzerland/US programme

The agreement signed by Switzerland and the United States in August 2013 enables the US authorities to examine the business conduct of Swiss banks with respect to US taxpayers and to ensure that they do not maintain banking relationships that are not declared to the US tax authority (IRS).

Although Crédit Agricole Suisse has never sought to develop this customer segment, in December 2013 it decided to take part in the US tax programme in category 2, as it cannot rule out the possibility that, in the past, some of its customers may not have informed the bank of their status as "US Persons" and/or may not have entirely fulfilled their tax obligations with respect to the United States.

Crédit Agricole Suisse is therefore currently carrying out a review of the cases that may be involved and that may give rise to a penalty if any customers did not fulfil or intend to fulfil their tax obligations with respect to the United States.

Based on the current status of the review, its outcome cannot yet be ascertained.

Bell Group

The agreement entered into by the Banks and Bell Group companies on 19 September 2013 was finalised and executed. The agreement made it possible to put an end to the dispute between the Banks and Bell Group companies.

NON-COMPLIANCE RISKS

The non-compliance risk relates to non-compliance with laws and regulations and all internal and external rules which apply for the activities of Crédit Agricole CIB in the banking and financial fields or may result in criminal penalties, sanctions from regulators, disputes with customers and more broadly risk reputation.

The main actions relating to compliance within the Group are detailed in the section on the economic performance indicators in the part of the document dealing with social, societal and environmental information of Crédit Agricole CIB group.

The organization of the Compliance business line's governance is set out in the report by the Chairman of the Board of Directors to the shareholders' meeting on page 78 to 80.

BASEL 3 PILLAR 3 DISCLOSURES

Regulation (EU) no. 575/2013 of 26 June 2013 requires supervised financial institutions (mainly credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. Crédit Agricole CIB Group's risk management system and exposure levels are presented in this section as well as in the "Risk Factors" section. In order to present prudential regulatory requirements separately, Crédit Agricole CIB has chosen to disclose its Pillar 3 information in this section, which provides the required information on capital requirements, capital components and a description of credit risk, market risk and operational risk as well as the corresponding exposure levels.

The European Union Commission's implementation regulation (EU) no. 1423/2013 of 20 December 2013 defines the technical implementation standards related to disclosure requirements on capital applicable to supervised institutions, in accordance with regulation (EU) no. 575/2013 of the European Parliament and of the Council.

In May 2012, the Financial Stability Board sponsored the creation of an international working group, the Enhanced Disclosure Task Force (EDTF), to improve financial communications. The EDTF, whose members are representatives from the private sector as well as producers and users of financial information, published a report in October 2012 that contained 32 recommendations for enhancing bank communication, in particular with respect to risk management, capital adequacy, and exposure to liquidity, financing, market, credit and other risks. Two progress reports published in August 2013 and September 2014 further clarified some of these recommendations.

In response to these recommendations, Crédit Agricole CIB further enhanced the content of its financial communications. The table below presents an overview of the actions taken in response to the EDTF's recommendations and lists the corresponding sections in the registration document.

EDTF cross-reference table

			Registration document			
	Recommendation		Management report and others	Risk factors	Pillar 3	Consolidated financial statements
Introduction	1	Cross-reference table			p. 176	
	2	Risk terminology and management, key parameters used	Definitions in the corresponding sections			
	3	Presentation of main risks and/or emerging risks		p. 143 to 175		p. 236 to 246
	4	New solvency regulatory framework and Group targets			p. 177, 178 to 181	
Risk management governance and strategy	5	Organisation of risk control and management	p. 66 to 67, 70 to 82	p. 144 to 145		
	6	Risk management strategy and implementation	p. 66 to 67, 70 to 82	p. 144 to 145		
	8	Governance and management of internal credit and market stress testing	p. 66	p. 145, 150, 162 and 163		
Capital requirements and risk-weighted assets	9	Capital requirements by type of risk			p. 193	
	10a	Reconciliation of accounting balance sheet and regulatory balance sheet			p. 178	
	10b	Reconciliation of reported shareholders' equity and regulatory capital			p. 191	
	11	Changes in regulatory capital			p. 184 to 192	
	13	Risk-weighted assets by business line and type of risk			p. 193 to 194	
	14	Risk-weighted assets and capital requirements by method and type of exposure			p. 193 to 194	
	15	Credit risk exposure by category and internal ratings			p. 200	
	16	Changes in risk-weighted assets by type of risk			p. 194	
	17	Description of backtesting models and their reliability		p. 147 and 159		
Liquidity	18	Liquidity management		p. 169 to 172		
	19	Encumbered assets			p. 183	
	20	Breakdown of financial assets and liabilities by contractual maturity				p. 279
	21	Management of liquidity and funding risk		p. 171 to 172		
Market risks	22 to 24	Market risk measurement		p. 158 to 164		
	25	Market risk management techniques		p. 158 to 164		
Credit risk	26	Maximum exposure, breakdown and diversification of credit risks		p. 152 to 156	p. 194 to 208	p. 236 to 240
	27 & 28	Provisioning and risk hedging policy		p. 155		p. 224, 225, 251
	29	Counterparty risk on derivative instruments		p. 149	p. 196	
	30	Credit risk mitigation mechanisms		p. 151	p. 203	
Operational and legal risks	31	Other risks: insurance sector, operational, legal, IS systems, business continuity plans	p. 75 to 76 and 81	p. 173 to 174		
	32	Stated risks and on-going actions with respect to operational and legal risks		p. 173 to 174		

Regulatory background and scope

Scope of application of the capital requirements for the purposes of regulatory supervision

Credit institutions and certain investment activities authorised to provide investment services and activities mentioned in Appendix 1 of Directive 2004/39/EC are subject to solvency and large exposure ratios on an individual and, where applicable, sub-group basis, although they may be exempt under the provisions of Article 7 of regulation (EU) no. 575-2013 of the European Parliament and of the Council of 26 June 2013 (CRR).

The French Prudential Supervisory and Resolution Authority (ACPR) has agreed that certain Crédit Agricole Group subsidiaries qualify for this exemption on an individual or, where applicable, sub-group basis. In that regard, the ACPR provided Crédit Agricole CIB with an exemption on an individual basis.

The transition to CRR/CRD 4 does not challenge the individual exemptions granted by the ACPR prior to 1 January 2014, based on the pre-existing regulatory provisions.

Regulatory scope

Difference between the accounting and the regulatory supervision scope of consolidation:

Entities consolidated for accounting purposes but not included in the regulatory scope of supervision of credit institutions on a consolidated basis include a few special-purpose entities accounted for under the equity method for regulatory purposes. In addition, entities consolidated for accounting purposes using the proportional method at 31 December 2013 and now consolidated under the equity method for accounting purposes, in accordance with IFRS 11, continue to be consolidated proportionally for regulatory purposes. Information on these entities as well as their consolidation method for accounting purposes is presented in the notes to the consolidated financial statements at 31 December 2014.

Type of investment	Accounting treatment	Full Basel 3 regulatory capital treatment
Subsidiaries with a financial activity	Full consolidation	Full consolidation giving rise to a capital requirement as regards the subsidiary's activities
Jointly held subsidiaries with a financial activity	Equity method	Proportional consolidation
Subsidiaries with an insurance activity	Full consolidation	• CET1 instruments held by entities more than 10%-owned are deducted from CET1 above the exemption limit of 17.65% of CET 1. This exemption, which is applied after calculating the 10% threshold, is aggregated with the undeducted share of deferred tax assets that are dependent on future profitability and arise from temporary differences. • Deduction of AT1 and T2 instruments at the level of their respective capital.
Investments more than 10%-owned that have a financial activity, by type	• Equity method Investments in credit institutions	• CET1 instruments held by entities more than 10%-owned are deducted from CET1 above the exemption limit of 17.65% of CET 1. This exemption, which is applied after calculating the 10% threshold, is aggregated with the undeducted share of deferred tax assets that are dependent on future profitability and arise from temporary differences. • Deduction of AT1 and T2 instruments at the level of their respective capital.
Investments of 10% or less in a financial or insurance activity	Investment securities and securities available for sale	Deduction of CET1, AT1 and T2 instruments in entities where the ownership interest is less than 10 %, above an exemption limit of 10% of CET1
ABCP securitisation entities	Full consolidation	Risk-weighting of amount accounted for under the equity method and commitments made on these entities (liquidity facilities and letters of credit).

■ Reconciliation of accounting and regulatory balance sheets

€ million	Accounting scope	Regulatory adjustments[1]	Regulatory scope[2]
Cash, due from central banks	47,877	2,377	50,254
Financial assets at fair value through profit or loss	355,729	197	355,926
Hedging derivative instruments	2,352	9	2,361
Available-for-sale financial assets	25,097	889	25,986
Loans and receivables - credit institutions	45,367	(2,040)	43,327
Loans and receivables - customers	119,992	(9,102)	110,890
Revaluation adjustment of interest-rate-hedged portfolios	34	-	34
Held-to-maturity financial assets		-	
Current and deferred tax assets	1,277	(2)	1,275
Accruals, prepayments and sundry assets	42,931	12	42,943
Non-current assets held for sale	-	-	-
Investments in equity-accounted entities	1,958	(132)	1,826
Fixed assets	546	1	547
Goodwill	937	-	937
ASSETS	**644,097**	**(7,791)**	**636,306**
Due to central banks	2,207	-	2,207
Financial liabilities at fair value through profit or loss	355,939	(14)	355,925
Hedging derivative instruments	1,085	4	1,089
Due to credit institutions	71,608	287	71,895
Due to customers	96,792	10,392	107,184
Debt securities	50,720	(18,483)	32,237
Revaluation difference of interest-rate-hedged portfolios	93	-	93
Current and deferred tax liabilities	541	-	541
Accruals, deferred income and sundry liabilities	42,829	10	42,839
Liabilities associated with non-current assets held for sale	-	-	-
Insurance company technical reserves	11	(11)	
Provisions	1,596	20	1,616
Subordinated debt	4,567	4	4,571
TOTAL LIABILITIES	**627,988**	**(7,791)**	**620,197**
TOTAL EQUITY	**16,109**	**-**	**16,109**
Equity, Group share	16,012	-	16,012
Minority interests	97	-	97
EQUITY AND LIABILITIES	**644,097**	**(7,791)**	**636,306**

(1) The main source of treatment differences between the statutory and regulatory scopes is securitisation entities, which are fully consolidated in the accounting scope and equity-accounted in the regulatory scope.
(2) Finrep disclosures.

Solvency ratio reform

■ Summary of main changes introduced by Basel 3 (CRR/CRD 4) relative to Basel 2

Basel 3 strengthens the regulatory framework by raising the quality and level of regulatory capital requirements and introducing new risks into the prudential supervision system. The legislation governing the regulatory capital requirements applicable to credit institutions and investment firms was published in the Official Journal of the European Union on 26 June 2013 (Directive 2013/36/EU, transposed notably by administrative order no. 2014-158 of 20 February 2014, and regulation (EU) no. 575/2013 of the European Parliament and of the Council) and entered into force from 1 January 2014 in accordance with the transitional provisions provided for in the legislation.

a) Solvency ratio numerator: Basel 3 defines three levels of capital:

- Common Equity Tier 1 (CET1),
- Tier 1 capital, which comprises Common Equity Tier 1 and Additional Tier 1 capital (AT1),
- total capital, consisting in Tier 1 and Tier 2 capital.

At 31 December 2014, Basel 3 regulatory capital before phase-in[1] is calculated by taking into account the following changes relative to 31 December 2013 on a Basel 2.5 basis:

1. the elimination of most prudential filters, in particular as regards unrealised capital gains and losses on equity instruments and available-for-sale debt securities. As an exception, capital gains and losses from cash flow hedges and

(1) as they will be calculated in 2022 after the transition period.

due to changes in the credit quality of the institution (liabilities measured at fair value) remain filtered. For the tables presented below, projected in 2022, when IAS 39 will no longer be in effect, the unrealised capital gains and losses on sovereign debt securities are not filtered. Moreover, a filter is introduced in connection with the DVA (change in valuation due to the credit quality of the institution on derivative instruments recognised as liabilities),

2. partial derecognition of minority interests and other equity instruments issued by an eligible subsidiary[2] limited to the capital needed to cover the subsidiary's own capital requirements. This partial derecognition applies to each capital component. Meanwhile, ineligible minority interests are excluded,
3. deferred tax assets that are dependent on future profitability related to losses carried forward are deducted from CET1,
4. negative amounts resulting from a shortage of provisions relative to the expected loss (EL), calculated by distinguishing performing and non-performing loans from those in default, are deducted from CET1.
5. deferred tax assets that are dependent on future profitability and arise from temporary differences are deducted from CET1 to the extent they exceed the exemption threshold of 17.65%. This exemption, applied after calculating a 10% threshold, is aggregated with the portion of non-deducted CET1 instruments held in financial investments that are more than 10%-owned. The items not deducted are recognised in risk-weighted assets (250% weighting),
6. CET1 instruments held in financial investments more than 10%-owned are deducted from CET1 to the extent they exceed the exemption threshold of 17.65%, using the same treatment as mentioned in the previous point.

   The deduction applies to direct investments in which the ownership interest exceeds 10% and indirect investments (notably through UCITS). These latter investments are now counted for deduction purposes but no longer for risk-weighted assets. Their total amount is aggregated with above-mentioned direct financial investments where they are identified as financial investments. In general, the equity component, and in some cases the entire UCITS portfolio, is deducted from CET1 without applying the exemption.

   Investments in insurance businesses are deducted from CET1 (integrated into other deductions covered by an exemption mechanism).
7. Tier 1 and Tier 2 capital is restricted to hybrid debt instruments that satisfy Basel 3 eligibility criteria,
8. valuation adjustments arising from prudent valuation defined in the regulatory framework: institutions must apply the prudent valuation principle and adjust the amount of their assets and liabilities measured at fair value and deduct any valuation adjustment.

Some of these items are also being phased in, as described below in point IV.

b) Solvency ratio denominator: Basel 3 introduces changes in the calculation of risk weighted assets for credit risk and counterparty risk, notably through the recognition of:

- the risk of market price changes related to counterparty credit quality (CVA – Credit Valuation Adjustment),
- risks involving central counterparties (clearing houses),
- external ratings whose reference is adjusted to calculate the weighting of financial counterparties using the Standard method,
- an increase in the default correlation on large financial institutions for the treatment using the Internal Ratings-Based method,
- strengthening of measures to detect and monitor correlation risk,

In accordance with Regulation (EU) 575/2013 of 26 June 2013, credit risk exposures continue to be measured using two approaches:

- the "Standard" approach, which uses external credit valuations and standard weightings based on the Basel exposure categories;
- the "Internal Ratings-Based" (IRB) approach, which uses the institution's own internal rating system.

Two separate approaches are used:

- the "Foundation Internal Ratings-Based" approach, under which institutions may use only their own probability of default estimates,
- the "Advanced Internal Ratings-Based" approach, under which institutions use all of their internal estimates of risk components: probability of default, loss given default, exposure given default, maturity.

As from late 2007, the ACPR authorised Crédit Agricole CIB Group to use internal rating systems to calculate regulatory capital requirements as regards credit risk for most of its scope. The property developers' portfolio continues to be measured using the standard credit risk method. As from 1 January 2008, the Crédit Agricole S.A. Group also received ACPR authorisation to use the Advanced Measurement Approach (AMA) to calculate regulatory capital requirements as regards operational risk for the Group's main entities, including Crédit Agricole CIB.

The use of internal models to calculate the solvency ratios has enabled Crédit Agricole CIB to strengthen its risk management. Specifically, the development of "internal ratings-based" approaches has led to the systematic and reliable collection of default and loss histories for most Group entities. The establishment of this data history makes it possible to quantify credit risk today by assigning an average probability of default (PD) to each rating level, and for the "advanced internal rating" approaches to assign a loss given default (LGD).

In addition, the parameters of the "internal ratings-based" models are used in the definition, implementation and monitoring of the entities' risk and credit policies. For the large corporates scope, the single Group-wide rating system (identical tools and methods, shared data) in use for several years has helped to strengthen and standardise rating practices and associated risk parameters within the entities. The single rating system for large corporates therefore provides a common set of guidelines underpinning the standards and procedures, management applications, provisioning and risk hedging policies and the system of warnings and heightened

[2] Credit institutions and certain investment businesses.

oversight. Given its role in risk monitoring and management at the entities, the rating system is subject to quality controls and regular monitoring at all levels of the rating process.

The internal risk assessment models thus promote the development of sound risk management practices by the Group's entities and improve the efficiency of the capital allocation process by enabling a more fine-tuned measurement of capital consumption by each business line and entity.

c) In all, three solvency ratios are calculated in the Basel 3 scheme:

- the Common Equity Tier 1 ratio,
- The Tier 1 (T1) capital ratio,
- the total capital ratio.

These ratios are calculated on a phase-in basis designed to smooth the transition from the Basel 2 to the Basel 3 calculation rules.

In addition to the required minimum ratios, capital buffers consisting exclusively in Tier 1 capital will be applied to the ratios (see point IV below on the implementation transition period) in order to strengthen the banking sector's ability to withstand adverse impacts:

- the mandatory capital conservation buffer,
- the countercyclical buffer,
- the buffer for systemically important financial institutions (only for Crédit Agricole Group and not Crédit Agricole CIB), and
- the systemic risk buffer.

Transitional implementation phase

To make it easier for credit institutions to comply with CRR / CRD 4, certain requirements were relaxed on a transitional basis, notably the gradual introduction of new capital component:

1. transitional application of treatment of prudential filters on unrealised capital gains and losses on available-for-sale assets: in 2014, unrealised capital gains will continue to be excluded from CET1, and will then be gradually integrated (40% in 2015, 60% in 2016, 80% in 2017 and 100% in subsequent years). Conversely, unrealised capital losses will be integrated as from 2014. In addition, unrealised capital gains and losses on sovereign debt issues remain excluded from capital until the European Union applies IFRS 9,
2. gradual deduction of the limited recognition or exclusion of minority interests, by tranche starting at 20% per year as from 1 January 2014,
3. gradual deduction of deferred tax assets that are dependent on future profitability related to losses carried forward by tranche starting at 20% per year as from 1 January 2014. The residual amount (80% in 2014) remains subject to the CRD 3 treatment method (0% risk weighting),
4. no transitional application of the deduction of negative amounts arising from insufficient provisions relative to the expected loss (it should be noted that under CRD 3 the deduction was 50% of Tier 1 and 50% of Tier 2 capital), now with amounts calculated distinguishing between performing loans and receivables and those in default,
5. gradual deduction of deferred tax assets that are dependent on future profitability and arise from temporary differences: the amount exceeding the exemption, which is aggregated with financial investments more than 10%-owned, is deducted by tranche increasing from 20% per year as from 1 January 2014. The items covered by the exemption receive a 250% risk-weighting. The residual amount exceeding the exemption (80% in 2014) remains subject to the CRD III method (0% risk-weighting),
6. gradual deduction of CET1 instruments held by financial entities more than 10%-owned: the residual amount exceeding the exemption, aggregated with the deferred tax assets mentioned in the previous point, is deducted using the same methods as described in the previous point. The items covered by the exemption are also risk-weighted at 250%. The residual amount exceeding the exemption threshold (80% in 2014) continues to be treated using the CRD 3 method (deduction of 50% of Tier 1 and 50% of Tier 2 capital),
7. hybrid debt instruments eligible in Basel 2 capital and no longer eligible as capital under the new regulation may, under certain conditions, be eligible under the grandfathering clause. Under this clause, these instruments are gradually excluded over an eight-year period, with a 10% reduction each year. In 2014, 80% of the overall stock reported at 31 December 2012 was recognised; in 2015 70% will be recognised, etc. The unrecognised portion may be recognised in lower-rated capital (AT1 to Tier 2, for example) if it satisfies the corresponding criteria.

Lastly, intangible assets (including goodwill) are 100%-deducted from CET1 as from 2014, in accordance with the national transposition of transitional application rules.

Minimum requirements

- Capital ratios before buffers: the minimum requirement for CET1 was 4% in 2014 and will be raised to 4.5% in subsequent years. Similarly, the Tier 1 minimum requirement was 5.5% in 2014 and will be raised to 6% in subsequent years. Finally, the minimum total capital requirement is 8%.
- Capital buffers will be added to these ratios and implemented gradually:
  - the mandatory capital conservation buffer (2.5% of risk-weighted assets in 2019),
  - the countercyclical buffer (in principle, rate within a range of 0% to 2.5%), with the buffer at the Group level consisting in an average weighted by exposure at default (EAD)[3] of buffers defined at the level of each country in which the Group does business,
  - the buffers for systemic risk and systemically important financial institutions (SIFIs) (0%-5% and 0%-3.5%, respectively). These two buffers are not cumulative, with double counting eliminated by the regulator of the consolidating entity.
  - Only Crédit Agricole Group is a SIFI; Crédit Agricole CIB does not fall into this category.

As from 2016, these buffers will become applicable through annual incremental increases until 2019 (0% in 2015, 25% of buffer required in 2016, 50% in 2017, etc.). The buffer for systemic risk can be implemented as from 2015 by a national authority if it provides documentary evidence to the European Banking Authority. When the countercyclical buffer rate is changed at the country level in a country where the company does business, the application date must be at least 12 months after the date the change was published. The above-mentioned incremental annual increases apply following the pre-notification period of 12 months.

These buffers must be covered by CET1.

[3] Exposure at Default (EAD) includes balance sheet outstandings as well as a share of off-balance sheet commitments

Minimum requirements on the basis of the information known at end-February 2015

1 January ...	2014	2015	2016	2017	2018	2019
Common Equity Tier One	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Tier 1 (CET1 + AT1)	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Tier 1 + Tier 2	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Capital conservation buffer			0.625%	1.25%	1.875%	2.5%
Countercyclical buffer (0% - 2.5%)			0%	0%	0%	0%
Systemic risk buffer (0% - 5%)			0%	0%	0%	0%
SIFI buffer (for systemic institutions) (0% - 3.5%)			0%	0%	0%	0%

Crédit Agricole CIB's total capital requirement, including buffers known at end-February 2015

1 January ...	2014	2015	2016
CET1 + buffers	4%	4.5%	5.125%
T1 + buffers	5.5%	6%	6.625%
T1 + T2 + buffers	8%	8%	8.625%

Risk management

The policies, objectives and systems put in place in connection with risk management and mitigation are described in the "Risk factors" part of the "Risk Factors and Pillar 3" section, pages 144 to 175.

Solvency indicators and ratios

Regulatory ratios at 31 December 2014

The following table shows the CDR 4 European solvency ratio, calculated in accordance with the current regulations, compared with the capital declared according to CRD 3 at 31 December 2013.

It shows the regulatory capital (simplified version). The full table is presented in the section "Composition and change in regulatory capital/ Composition of capital" in this chapter.

€ million	31.12.2014		31.12.2013
	phased in	Fully loaded	Basel 2
Share capital and reserves, Group share [1]	14,453	14,652	14,117
(+) Tier 1 capital in accordance with French Prudential Supervisory and Resolution Authority stipulations (shareholder advance)			
(+) Minority interests	84		76
(-) Prudent valuation	(467)	(467)	(48)
(-) Deductions of goodwill and other intangible assets	(1,103)	(1,103)	(1,123)
(-) Deferred tax assets dependent on future profitability and unrelated to temporary differences net of related deferred tax liabilities	(53)	(265)	
(-) Insufficient adjustments for credit risk in relation to expected loss based on internal ratings-based approach deducted from CET1	(12)	(12)	(8)
(-) Amount exceeding exemption limit of CET1 instruments held by financial sector entities in which the credit institution has a significant investment and of deductible deferred tax assets dependent on future profitability and arising from temporary differences [2]	(774)	(798)	
(-) Transparent treatment of UCITS	(19)	(19)	
Transitional adjustments and other deductions applicable to CET1 [2]	478	(142)	(202)
COMMON EQUITY TIER 1 CAPITAL (CET1)	**12,587**	**11,848**	**12,812**
Equity instruments eligible as AT1 capital			
Grandfathered equity instruments otherwise ineligible as AT1 capital	3,705		4,512
Tier 1 or Tier 2 instruments of entities whose main activity is in the insurance sector and in which the institution owns a significant stake, deducted from Tier 1 capital			
Transitional adjustments and other Basel 2 deductions	(310)		(880)
ADDITIONAL TIER 1 CAPITAL	**3,395**	**0**	**3,632**
TIER 1 CAPITAL	**15,982**	**11,848**	**16,444**
Equity instruments and subordinated debt eligible as Tier 2 capital			
Ineligible equity instruments and subordinated debt	30		651
Amount of excess provisions relative to expected loss eligible on the basis of the internal ratings-based approach and adjustment of the general credit risk using the standard approach	440	440	347
Tier 2 instruments of entities whose main activity is in the insurance sector and in which the institution owns a significant stake, deducted from Tier 2 capital			
Transitional adjustments and other Basel 2 deductions	(87)		(790)
TIER 2 CAPITAL	**383**	**440**	**208**
TOTAL CAPITAL	**16,365**	**12,288**	**16,652**
TOTAL RISK-WEIGHTED ASSETS	**118,639**	**118,581**	**110,515**
CET1 ratio	**10.6%**	**10.0%**	**11.6%**
Tier 1 ratio	**13.5%**	**10.0%**	**14.9%**
Total capital ratio	**13.8%**	**10.4%**	**15.1%**

[1] This line is described in the table presented in the section "Composition and changes in regulatory capital / Reconciliation of accounting and regulatory capital".

[2] This line includes the transitional adjustment in connection with the amount exceeding the exemption limit on CET1 instruments of financial sector entities in which the institution owns a significant interest (see footnote 2 and 2'of the reconciliation table of reported shareholders' equity and regulatory capital.)

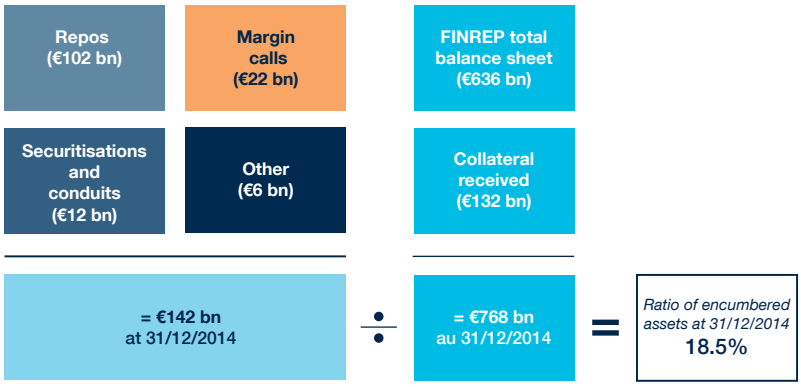
Encumbered assets

Crédit Agricole CIB monitors and manages the level of its assets pledged as collateral.

At 31 December 2014, the ratio of encumbered assets to total assets was 18.5%.

- For private-sector loans and receivables, the collateralisation is designed to obtain preferential refinancing terms or create reserves that can be easily liquidated if necessary. Crédit Agricole CIB's policy seeks to diversify its refinancing in order to better withstand liquidity stresses that may affect given markets differently and to limit the number of assets pledged as collateral in order to conserve high-quality unencumbered assets that can be easily liquidated through existing channels in the event of stress.
- The other sources of collateral are mainly pledged securities as well as cash (mainly on margin calls).
  - Repos: outstandings of encumbered assets and collateral received and reused in connection with repos totalled €102 billion, of which €83 billion in securities received as collateral and reused (composed for 92% of sovereign debt) out of €132 billion of collateral received;
  - Margin calls: margin calls represent outstandings of €22 billion, primarily in connection with the OTC derivatives activity.

Use of encumbered assets and collateral received



Assets

At 31.12.2014 € million	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of reporting institution	**59,118**		**577,188**	
Equity instruments	2,566	2,566	3,374	3,374
Debt securities	17,053	17,053	54,476	54,476
Loans and receivables other than demand loans	18,622		220,132	
Other assets	20,877		244,756	

Collateral received

At 31.12.2014 € million	Fair value of encumbered guarantee received or own encumbered debt instruments issued	Fair value of guarantee received or own debt instruments issued available to be encumbered
Collateral received from reporting institution	**83,273**	**38,276**
Equity instruments	1	617
Debt securities	83,272	37,659
Loans and receivables other than demand loans	0	0
Other assets	0	0
Own debt instruments issued other than own guaranteed bonds or own securities pledged as collateral	**0**	**0**

Encumbered assets / Collateral received and related liabilities

At 31.12.2014 € million	Matching liabilities, contingent liabilities or securities lent	Assets, collaterals received and own debt securities issued, other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	**329,264**	**141,215**

Composition and change in regulatory capital

Composition of capital

The table below is presented under the format of Annex IV and VI of Commission Implementing Regulation no. 1423/2013 of 20 December 2013. In order to simplify matters, the headings used below are those of in Annex VI, namely the phased-in headings.

Composition of capital at 31 December 2014

Numbering (Phased-in) *(€ million)*		31.12.2014	
		Phased-in	Fully loaded
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	8,160	8,160
	of which: Crédit Agricole S.A. shares	8,160	8,160
	of which: Regional Banks' mutual shares (CCI/CCA)		
	of which: Local Banks' mutual shares		
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	6,803	6,803
3a	Fund for general banking risk		
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase out from CET1		
	Public sector capital injections grandfathered until 1 January 2018		
5	Minority interests (amount allowed in consolidated CET1)	84	-
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	49	49
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**15,096**	**15,012**
Common Equity Tier 1 capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(467)	(467)
8	Intangible assets (net of related tax liability) (negative amount)	(1,103)	(1,103)
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	(265)	(265)
11	Fair value reserves related to gains or losses on cash flow hedges	(568)	(568)
12	Negative amounts resulting from the calculation of expected loss amounts	(12)	(12)
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	215	215
15	Defined-benefit pension fund assets (negative amount)	(7)	(7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(774)	(774)
20	CET1 items or deductions - other	(142)	(142)
20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	(19)	(19)
20b	of which: qualifying holdings outside the financial sector (negative amount)	(19)	(19)
20c	of which: securitisation positions (negative amount)		
20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	-	-
22	Amount exceeding the 15% threshold (negative amount)	-	(23)

Numbering (Phased-in) (€ million)		31.12.2014	
		Phased-in	Fully loaded
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		(15)
24	Empty set in the EU		
25	of which: deferred tax assets arising from temporary differences		(8)
25a	Losses for the current financial year (negative amount)		
25b	Foreseeable tax charges relating to CET1 items (negative amount)		
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	632	
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	(235)	
	Of which: unrealised gains (phase out)	(246)	
	Of which: unrealised losses (phase out)		
	Of which: unrealised gains linked to exposures to central administrations (phase out)		
	Of which: unrealised losses linked to exposures to central administrations (phase out)	11	
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	867	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(2,509)**	**(3,164)**
29	**Common Equity Tier 1 (CET1) capital**	**12,587**	**11,848**
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	3,705	-
	Public sector capital injections grandfathered until 1 January 2018		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	of which: instruments issued by subsidiaries subject to phase out		
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**3,705**	**-**
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no. 575/2013 (i.e. CRR residual amounts)	(310)	-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) no. 575/2013		
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to Article 475 of Regulation (EU) no. 575/2013		
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(310)**	**-**
44	**Additional Tier 1 capital (AT1)**	**3,395**	**-**
45	**Tier 1 capital (T1=CET1 + AT1)**	**15,982**	**11,848**

Numbering (Phased-in) (€ million)		31.12.2014	
		Phased-in	Fully loaded
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts		
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	30	-
	Public sector capital injections grandfathered until 1 January 2018		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments	440	440
51	**Tier 2 (T2) capital before regulatory adjustments**	**470**	**440**
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		
54a	Of which new holdings not subject to transitional arrangements		
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no. 575/2013 (i.e. CRR residual amounts)	(87)	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) no. 575/2013	(310)	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Article 475 of Regulation (EU) no. 575/2013		
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	223	-
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(87)**	**-**
58	**Tier 2 (T2) capital**	**383**	**440**
59	**Total capital (TC=T1 + T2)**	**16,365**	**12,288**
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no. 575/2013 (i.e. CRR residual amounts)	4,502	4,444
	Of which: CET1 instruments of financial sector entities not deducted from CET1 (Regulation (EU) no. 575/2013 residual amounts)	3,161	3,124
	Of which: Deferred tax assets that rely on future profitability and arising from temporary differences not deducted from CET1 (Regulation (EU) no. 575/2013 residual amounts)	1,341	1,320
	Of which: AT1 instruments of financial sector entities not deducted from AT1 (Regulation (EU) no. 575/2013 residual amounts)		
	Of which: Tier 2 instruments of financial sector entities not deducted from Tier 2 (Regulation (EU) no. 575/2013 residual amounts)		
60	**Total risk weighted assets**	**118,639**	**118,581**
Capital ratios and buffers			
61	**Common Equity Tier 1 (as a percentage of risk exposure amount)**	**10.61%**	**9.99%**
62	**Tier 1 (as a percentage of risk exposure amount)**	**13.47%**	**9.99%**
63	**Total capital (as a percentage of risk exposure amount)**	**13.79%**	**10.36%**
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)		
65	of which: capital conservation buffer requirement		
66	of which: countercyclical buffer requirement		

Numbering (Phased-in) (€ million)		31.12.2014	
		Phased-in	Fully loaded
67	of which: systemic risk buffer requirement		
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	506	506
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,265	1,265
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	536	536
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in Tier 2 in respect of exposures subject to standardized approach (prior to the application of the cap)	16	16
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	114	114
78	Credit risk adjustments included in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	1,422	1,422
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	424	424
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements	3,705	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	(152)	
84	Current cap on T2 instruments subject to phase out arrangements	180	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

As indicated in the above section, CRR / CRD 4 introduced major changes in the composition of capital by category.

■ Tier 1 capital

This includes Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1):

Common Equity Tier 1 (CET1)

This includes:

- issued capital,
- reserves, including share premiums, retained earnings, net income after dividends and other accumulated comprehensive income including unrealised capital gains and losses on available-for-sale financial assets, as described in point III on the reform of solvency ratios,
- non-controlling interests, which, as indicated in point III on the solvency ratio reform, are now subject to limited recognition or even exclusion, depending on whether or not the subsidiary is an eligible credit institution.
- deductions are detailed above and include the following items in particular:
  - treasury shares held and measured at their carrying amount,
  - intangible assets, including start-up costs and goodwill.

Additional Tier 1 capital (AT1)

► Additional Tier 1 capital eligible under Basel 3 and not phased in

Additional Tier 1 (AT1) capital eligible under Basel 3 corresponds to perpetual debt instruments that carry no incentive or obligation to redeem (notably skipped interest payments).

AT1 instruments must be subject to a loss absorption mechanism triggered when the CET1 ratio falls below a threshold of at least 5.125%. The instruments may be converted into shares or written down. Total flexibility in payments is required: no automatic remuneration mechanisms, suspension of coupon payments at the issuer's discretion.

Investments in financial sector entities related to this compartment (AT1) are deducted along with those resulting from transitional application rules.

► Additional Tier 1 capital eligible on a phased-in basis

During the transitional phase, the amount of Tier 1 capital used in the ratios corresponds to

- additional Tier 1 capital eligible under Basel 3 (AT1), and
- a fraction of ineligible Tier 1 capital, equal at least to
  - the actual amount of ineligible Tier 1 instruments at the closing date (after amortisation, any calls, redemptions, etc.), including preferred shares;
  - 80% of the stock of Tier 1 capital existing at 31 December 2012. The stock of Tier 1 capital outstanding at 31 December 2012 totalled €4.6 billion, or a maximum recognisable amount of €3,704 million.

At 31 December 2014, total ineligible Tier 1 capital was €3,922 million, an amount greater than the regulatory capital threshold of €3,704 million. As a result, the prudential ratios include only €3,704 million in connection with ineligible Tier 1 instruments.

The amount of Tier 1 capital exceeding the prudential threshold is integrated into phased-in Tier 2 capital, up to the regulatory capital threshold applicable to Tier 2 capital.

The table below presents the stock of AT1 capital at 31 December 2014 eligible for grandfathering, after interest due or repayments but excluding the impact of caps resulting from these provisions.

Deeply subordinated notes and preferred shares at 31 December 2014

To facilitate readability, the capital instruments are listed below in a simplified format.

Issuer	Date of issue	Amount of issue (in millions)	Currency	Call dates	Compensation	Step-up (Y /N)	Regulatory capital treatment at 31/12/2013	CRD IV eligibility (Y/N)	Coupon suspension conditions	Write-down conditions	Regulatory capital amount at 31/12/2014 (€ million)[1]	Regulatory capital amount at 31/12/2013 (€ million)[1]
Titres super-subordonnés												
Crédit Agricole CIB	24/12/2008	1 700	USD	24/12/2013 then quarterly	Libor3M+670 bps	N	T1	N	At issuer's discretion if no dividend is paid	Occurrence of a regulatory event	1,397	1,231
Crédit Agricole CIB	21/12/2005	85	USD	01/01/2016 then annually	Libor12M+150 bps	N	T1	N	Reduction that may lead to non-payment of interest in the event of insufficient earnings	Occurrence of a regulatory event	70	62
Crédit Agricole CIB	28/09/2007	1 000	USD	01/01/2018 then annually	Libor12M+252 bps	N	T1	N	Reduction that may lead to suspension of interest in the event of insufficient earnings	Occurrence of a regulatory event	822	724
Crédit Agricole CIB [2]	04/05/2004	1 260	USD	01/01/2014 then annually	5,96% then as from 01/01/2014 Libor12M+204 bps	0	T1	N	Reduction that may lead to suspension of interest in the event of insufficient earnings	Occurrence of a regulatory event	-	912
Crédit Agricole CIB	21/12/2005	220	USD	01/01/2016 then annually	Libor12M + 90 bps then as from du 01/01/2016 Libor12M + 190bps	0	T1	N	Reduction that may lead to suspension of interest in the event of insufficient earnings	Occurrence of a regulatory event	181	159
Crédit Agricole CIB	28/09/2007	590	EUR	01/01/2018	Euribor 12M+190bps then as from 01/01/2018 Libor12M+ 290bps	0	T1	N	Reduction that may lead to suspension of interest in the event of insufficient earnings	Occurrence of a regulatory event	590	590
Crédit Agricole CIB	19/03/2004	500	USD	01/01/2014 then annually	5,81% then as from 01/01/2014 Libor 12M+170 bps	N	T1	N	Reduction that may lead to suspension of interest in the event of insufficient earnings	Occurrence of a regulatory event	411	362
Crédit Agricole CIB	04/05/2004	470	USD	01/01/2014 then annually	6,48% then as from 01/01/2014 Libor 12M+156 bps	N	T1	N	Reduction that may lead to suspension of interest in the event of insufficient earnings	Occurrence of a regulatory event	386	340
Newedge[3]	23/12/2008	103	USD	23/12/2013 then quarterly	8,6% then as from 23/03/2014 Libor1M+650 bps	N	T1	N	At issuer's discretion if no dividend is paid	Occurrence of a regulatory event	-	74
Preferred shares (equivalent to deeply subordinated notes)												
Indosuez Holdings II S.C.A	22/12/1993	80	USD	22/12/2008 then at any time	Libor6M+230 bps	N	T1	N	Reduction that may lead to suspension of interest in the event of insufficient earnings		66	58
Total											3,922	4,512

(1) Amounts used for the COREP reporting at 31 December 2013 and amounts before application of the grandfather clause in Basel 3 at 31 December 2014. The application of this clause resulted in deeply subordinated notes and preferred shares totalling €3,704 million.
(2) Early repayment
(3) Entity sold on 6 May 2014

Note : the entire Tier 1 capital qualifies for grandfathering until the step-up date for innovative instruments or until the recognition deadline stipulated in the official regulations.

■ Tier 2 capital

Composition:

- Subordinated notes must have a minimum maturity of five years. Incentives for early redemption are prohibited. The previous distinctions between lower and upper Tier 2 capital no longer exist,
- these instruments are discounted during the five years prior to maturity,
- the grandfather clause is the same as the one presented for AT1 above,
- 45% of pre-tax net unrealised capital gains on own equity instruments included in additional capital (only during phase-in period),
- eligible excess provisions relative to expected loss determined using the internal ratings-based approach are limited to 0.6% of IRB risk-weighted assets. Moreover, adjustments for general credit risk including tax impacts may be included for up to 1.25% of risk-weighted assets in the standard method,
- deductions of investments in financial sector entities related to Tier 2 capital (mostly insurance sector entities, since most subordinated bank notes are not eligible) as well as those resulting from transitional application rules, following the phasing-in of investments that are deducted 50/50 from Tier 1/Tier 2 capital in CRD3.

The Tier 2 amount used in ratios corresponds to:

- fully-loaded: Tier 2 capital eligible under CRD 4
- phased in: Tier 2 capital eligible under CRD 4, to which is added the lesser of
  - ineligible Tier 2 instruments and, where applicable, the transfer of Tier 1 instruments exceeding the 80% threshold of ineligible Tier 1 instruments;
  - 80% of the stock of Tier 2 instruments not eligible under CRD IV, at 31 December 2012.

Undated subordinated debt

Issuer	Date of issue	Amount of issue (in millions)	Currency	Call dates	Compensation	Step-up (Y /N)	Regulatory capital treatment at 31/12/2013	CRD IV eligibility (Y/N)	Coupon suspension conditions	Write-down conditions	Regulatory capital amount at 31/12/2014 (€ million)	Regulatory capital amount at 31/12/2013 (€ million)
Crédit Agricole CIB	12/08/2008	30	EUR	12/08/2003 then at any time	Euribor3M+55 bps	N	T2	N	Lack of distributable income	Occurrence of a regulatory capital event	30	30
Total											30	30

Dated subordinated debts at 31 December 2014

Issuer	Date of issue	Amount of issue (in millions)	Maturity	Currency	Call dates	Compensation	Step-up (Y /N)	Regulatory capital treatment at 31/12/2013	CRD IV eligibility (Y/N)	Coupon suspension conditions	Write-down conditions	Regulatory capital amount at 31/12/2014 (€ million)	Regulatory capital amount at 31/12/2013 (€ million)
Crédit Agricole CIB	29/03/2006	550	29/03/2017	EUR	29/03/2013 then quarterly	Euribor3M +79bps	0	T2	N	Occurrence of a regulatory capital event	Occurrence of a regulatory capital event	-	550
Newedge	01/01/2008	25	01/01/2018	EUR	-	Euribor3M +130bps	N	T2	N	N	N	-	25
Newedge	29/12/2006	95	15/12/2016	USD	-	Libor12M +50bps	N	T2	N	N	N	-	41
Newedge	15/12/1994	22	15/12/2014	EUR	-	TAM +49,5bps	N	T2	N	N	N	-	4
Total												0	621

Reconciliation of accounting and regulatory capital

€ million	31.12.2014		31.12.2013
	Phased in	Fully loaded	Basel 2
EQUITY, GROUP SHARE (ACCOUNTING AMOUNT)[1]	**16,012**	**16,012**	**15,309**
Dividend payable on previous year's income			
Advance distribution of net income	(1,000)	(1,000)	(1,000)
Unrealised gains / losses on change in own credit risk on derivatives	215	**215**	**297**
Unrealised gains / losses on cash flow hedges	(568)	**(568)**	**(290)**
Unrealised gains / losses on available-for-sale equity and debt instruments with Basel 2 filters	(235)	**0**	**(199)**
Transitional treatment of unrealised gains and losses	36	**0**	
AT1 instruments included in reported shareholders' equity			
Other regulatory adjustments	(7)	(7)	
Shareholders' equity, Group share [2]	**14,453**	**14,652**	**14,117**
Reported minority interests	84	**0**	**76**
(-) preferred shares			
(-) items not recognised for regulatory purposes			
Minority interests			
Other equity instruments			
Deductions of goodwill and other intangible assets	(1,103)	(1,103)	(1,123)
Deferred tax assets dependent on future profitability and not arising from temporary differences [1]	(53)	(265)	
Insufficient adjustments for credit risk in relation to expected loss under the internal ratings-based approach, deducted from CET1	(12)	(12)	(8)
Amount exceeding exemption limit on CET1 instruments held by financial sector entities in which the institution owns a significant investment and deductible deferred tax assets dependent on future profitability and arising from temporary differences [2]	(774)	(798)	
(-)Transparent treatment of UCITS	(19)	(19)	
Advance prudent valuation	(467)	(467)	(48)
Transitional adjustments on amounts exceeding exemption limits of CET1 instruments of financial sector entities [2']	,619		
Other CET1 items	(142)	(142)	(202)
Total CET1	**12,587**	**11,848**	**12,812**
AT1 equity instruments (including preferred shares)	3,704		4,512
Tier 1 or Tier 2 instruments of financial sector entities in which the institution owns a significant investment deducted from Tier 1			
Basel 2 transitional adjustments and deductions	(310)		(880)
Other Tier 1 items			
Total Additional Tier 1	***3,395***	***0***	***3,632***
Total Tier 1	**15,982**	**11,848**	**16,444**
Tier 2 equity instruments	30		651
Excess provisions relative to expected loss eligible under internal ratingsapproach	424	424	347
General credit risk adjustments using the standard approach	16	16	
Tier 2 instruments of entities mainly from the insurance sector in which the institution owns a significant investment, deducted from Tier 2			
Basel 2 transitional adjustments and deductions	(87)		(790)
Other Tier 2 items			
Total Tier 2	**383**	**440**	**208**
Ownership interests and investments in insurance companies			
TOTAL CAPITAL	**16,365**	**12,288**	**16,652**

(1) The impact of the transitional adjustment is included in the phased-in version.
(2) The impact of the transition is reported on a separate line item (see (2')).
(2') See (2).

Assessment of internal capital adequacy

The Group has begun to develop an internal capital procedure within the Crédit Agricole CIB Group and the Group's main French and foreign entities. The approach aims to comply with the requirements of Pillar 2 of Basel 2, particularly as regards the Internal Capital Adequacy Assessment Process (ICAAP), which institutions are responsible for implementing.

The main objective of this procedure is to ensure that the Group's capital and the capital of Group entities are appropriate given the risks incurred.

Risks quantified for internal capital purposes include:

- risks covered by Pillar 1 of Basel 2 (credit and counterparty risks, operational risks, market risks);
- risks covered by Pillar 2 of Basel 2 (interest rate risk in the banking book, concentration risk in the loan book).

Liquidity risk is excluded from this procedure, since the Group prefers to take a qualitative risk management approach in this area. This involves ensuring the quality of its management and supervision system, along with that of its liquidity continuity plan.

In addition to these risks, the internal capital procedure requires the Group to check that the capital requirements calculated under Pillar 1 adequately cover any residual risks relating to techniques used to mitigate credit risk, as well as securitisation risks. If risks are not adequately covered, an internal capital adjustment relative to Pillar 1 requirements is made by the entities exposed to these risks.

The quantitative approach used to calculate internal capital is supplemental to Pillar 1 requirements. The approach consists in:

- adjusting capital requirements calculated with respect to Pillar 1, so that internal capital reflects economic risks in each business;
- supplementing requirements corresponding to Pillar 1 risks, to take into account Pillar 2;
- taking into account, in a prudent manner, the effects of diversification resulting from carrying out diversified activities within the same group.

For credit and counterparty risk on the Crédit Agricole CIB scope, internal capital is determined by using an internal model to calculate the counterparty risk exposure and an economic capital model with a threshold of 99.97% to calculate the internal capital.

As regards market risk, Pillar 1 capital requirements are calculated using internal value-at-risk models, and internal capital takes into account the liquidity of instruments in the trading book. As for credit risk, the percentile used to calculate internal capital for market risk is 99.97%.

As regards internal capital for interest rate risk in the banking book, the Group applies the interest rate shocks specified in Pillar 2 of Basel 2, which correspond to instant and parallel upward and downward shocks of 200 basis points. The calculated internal capital includes the offsetting effect of the net interest margin risk on customer deposits.

Changes in regulatory capital in 2014

(€ million)	FLOWS: 31 December 2014 phased-in vs 31/12/2013 Basel 2
Basel 2 Core Tier 1 Capital at 31/12/2013	**12,812**
Increase in share capital and reserves (including dividend payment in shares)	654
Capital repayment[2]	
Income for the year before dividend distribution	1,049
Expected dividend	(1,000)
Unrealised capital gains and losses on available-for-sale securities and other unrealised capital gains and losses	(361)
Prudent valuation	(419)
Minority interests	8
Changes in goodwill and other intangible assets	20
Insufficiency of credit risk adjustments relative to expected loss using the internal rating approach deducted from CET1	(4)
Regulatory adjustments[1]	(173)
BASEL 3 TIER 1 CAPITAL at 31/12/2014	**12,587**
Basel 2 Additional Tier 1 Capital at 31/12/2013	**3,632**
Issues	
Redemptions	
Regulatory adjustments [1]	(237)
BASEL 3 ADDITIONAL TIER 1 CAPITAL at 31/12/2014	**3,395**
TIER 1 CAPITAL at 31/12/2014	**15,982**
Basel 2 additional capital at 31/12/2013	**208**
Issues	
Repayments	
Regulatory adjustments including amortisation [1] [3]	175
BASEL 3 TIER 2 CAPITAL at 31/12/2014	**383**
TOTAL CAPITAL at 31/12/2014	**16,365**

[1] Description of the various adjustments due to transition from Basel 2 to phased-in Basel 3 in the section "Regulatory background and regulatory scope / Transitional implementation phase".
[2] Capital repayment: shareholder advance.
[3] Amortisation is recognised for Tier 2 instruments during the five-year period prior to their maturity.

Composition and changes in risk-weighted assets

Capital requirements by type of risk

The overall solvency ratio, presented in the table of capital adequacy ratios, measures the ratio between total capital and the sum of assets weighted for credit risk, market risk and operational risk.

The capital requirements presented below by type of risk, method and exposure category (for credit risk) correspond to 8% (regulatory minimum) of the weighted exposures (average equivalent risk) presented in the table of capital adequacy ratios.

€ million	31.12.2014		31.12.2013	
	Risk Weighted assets	Capital requirements	Risk Weighted assets	Capital requirements
Credit risk	**95,445**	**7,636**	**85,911**	**6,874**
Credit and counterparty risk – standard approach	**12,052**	**964**	**18,879**	**1,511**
Central governments and central banks	1,387	111	2	0
of which deferred tax assets (250% weighting) used to calculate the exemption limit	1,334	107	0	0
Institutions	918	73	3,142	251
Corporates	4,983	399	5,698	456
Retail customers				
Equities	177	14	160	13
of which investments greater than 10% in financial companies (250% weighting) used to calculate the exemption				
Securitisations	257	21	77	6
Other assets that do not correspond to credit obligations	4,330	346	9,800	784
Credit and counterparty risk – internal ratings-based approach	**77,762**	**6,221**	**67,019**	**5,362**
Central governments and central banks	1,003	80	785	63
Institutions	8,303	664	6,502	520
Corporates	56,826	4,546	51,579	4,126
Retail customers	338	27	375	30
Equities	4,934	395	3,090	247
Simple weighting method	1,902	152	3,090	247
Exposures in the form of private equity held in sufficiently diversified portfolios (190% weighting)	10	1	14	1
Exposures on listed shares (290% weighting)	*79*	*6*	1,009	81
Other equity exposures (370% weighting)	*1,813*	*145*	*2,067*	*165*
Internal model method				
of which investments greater than 10% in financial companies (250% weighting) used to calculate the exemption limit	3,032	243		
Securitisations	6,250	500	4,597	368
Other assets that do not correspond to credit obligations	108	9	91	7
Credit valuation adjustment risk	**4,389**	**351**		
Advanced method	3,680	294		
Standard method	709	57		
Initial risk method				
Settlement/delivery risk	**21**	**2**	**13**	**1**
Risk related to default fund	**1,222**	**98**		
Market risk	**7,836**	**627**	**8,321**	**666**
Market risk under the standard approach	**606**	**48**	**617**	**49**
Interest rate risk	276	22	327	26
Risk of changes in title deeds	13	1	78	6
Currency risk	318	25		
Commodity risk			53	4
Other risks			159	13
Market risk measured using an internal model	**7,230**	**578**	**7,704**	**616**
Var	1,171	94	1,366	109
Stressed VaR	3,134	251	2,702	216
IRC	2,925	234	3,636	291
CRM				
of which, additional capital requirements resulting from amounts exceeding limits as regards large risks				
Operational risk	**15,357**	**1,229**	**16,283**	**1,303**
Standard approach for operational risk	192	15	1,057	85
Advanced measurement approach for operational risk	15,165	1,213	15,226	1,218
TOTAL	**118,639**	**9,491**	**110,515**	**8,840**
standard approach	14,092	1,127	20,566	1,645
IRB approach	100,157	8,013	89,949	7,196
which, CVA	**4,389**	**351**		

Changes in risk-weighted assets

The table below presents the changes in risk-weighted assets for the Crédit Agricole CIB Group in 2014:

€ million	31/12/2013	Impact of CRD 4 and transition to EPE model at 01/01/14	01/01/14 proforma CRD4	CRD4 2014 Actions	Change	Organic change	Scope (disposal of Newedge)	Method	2014 total change	31/12/2014
Credit risk	85,911	30,117	116,028	(11,562)	4,947	(8,472)	(4,356)	(1,000)	9,674	95,585
o/w CVA	-	*15,142*	*15,142*	*(10,809)*	-	-	-	-	*4,333*	*4,333*
Market risk	8,321	-	8,321	-	-	(362)	(263)	-	(625)	7,696
Operational risk	16,283	-	16,283	-	-	(71)	(854)	-	(926)	15,358
TOTAL	**110,515**	**30,117**	**140,632**	**(11,562)**	**4 947**	**(8,905)**	**(5 473)**	**(1,000)**	**8,124**	**118,639**

- **CRD 4 impact at 1 January 2014:** +€30.1 billion, of which €15.1 billion related to the regulatory CVA calculation (including hedging impact) and the impact of CRD 4 on Newedge before its disposal;
- **Currency impact:** significant currency impact this year, notably as a result of the US dollar's appreciation against the euro;
- **Organic change:** -€8.9 billion, notably due to the amortisation of the discontinued activities;
- **Scope:** impact of the Newedge disposal (-€6.2 billion, including CRD 4 impact);
- **Method:** -€1 billion due to the change in regulatory treatment of transaction related items and the immediate impact of revisions to the probability of default (PD) model on corporates.

Credit risks

Exposure to credit risk

Definitions:

- Probability of default (PD): the probability that a counterparty will default in a one-year period.
- Loss given default (LGD): the ratio between the loss when a counterparty defaults and the amount of the exposure at the time of default.
- Gross exposure: the amount of exposure (on- and off-balance sheet) before the use of credit risk mitigation techniques and before the use of the credit conversion factor (CCF).
- Exposure at default (EAD): amount of exposure (on- and off-balance sheet) after the use of credit risk mitigation techniques and after the use of the credit conversion factor (CCF).
- Conversion factor (CCF): ratio reflecting at the time of default the unused portion of a commitment one year prior to the default.
- Risk-weighted assets (RWA): exposure at default (EAD) after applying a weighting factor.
- Valuation adjustments: individual impairment on a specific asset due to credit risk and recognised either directly through a partial write-off or through a valuation adjustment.
- External credit ratings: credit ratings established by an external credit rating agency recognised by the ECB.

Credit exposures are classified by type of counterparty and financial product in one of the seven exposure categories described below, as defined by article 147 of regulation (EU) 575/2013 of 26 June 2013 related to capital requirements applicable to credit institutions and investment firms:

- the "Central governments and central banks" exposure category also includes exposures to certain regional or local governments or public-sector entities treated as central governments as well as certain multilateral development banks and international organisations;
- The "Institutions" exposure category includes credit institutions and investment firms, including recognised ones from other countries. This category also includes certain exposures on regional and local governments, public-sector entities and multilateral development banks that are not considered as central governments.
- The "Corporates" exposure category distinguishes between large companies and small and medium-sized companies, which are subject to different regulatory treatment.
- The "Retail customers" exposure category distinguishes between mortgage loans, revolving credits, other credits to retail customers and other loans to very small businesses and self-employed professionals.
- the "Equities" exposure category corresponds to exposures that grant residual and subordinated rights on the issuer's assets or income, or are of a similar economic nature;
- the "Securitisations" exposure category includes exposures to a securitisation transaction or structure, including those resulting from interest rate or foreign exchange derivative contracts, regardless of whether the institution is the originator, sponsor or investor;
- The "Other assets that do not correspond to credit obligations" exposure category mainly includes non-current assets and accruals.

Breakdown of exposures

■ Exposure by type of risk

The tables below show Crédit Agricole CIB's exposure to credit risk by exposure category for the standard and internal ratings-based approaches. This exposure corresponds to gross exposure (on and off-balance sheet) after netting and before risk mitigation techniques (guarantees and collateral).

Crédit Agricole CIB calculates counterparty risk for all its exposures, whether in the banking book or the trading book. For items in the trading book, counterparty risk is calculated in accordance with the provisions relating to the prudential supervision of market risk.

The regulatory treatment of counterparty risk on forward financial instruments in the banking book is defined for regulatory purposes in the French transposition (decree of 20 February 2007) of the European directive. Crédit Agricole CIB uses the market price method to measure its exposure to counterparty risk on forward financial instruments.

Securities exposed to counterparty risk were valued at €61.9 billion at 31 December 2014 (including €10.8 billion of repos and €51.1 billion of forward financial instruments).

Gross exposure, exposure at default (EAD) to total risk (credit, counterparty, dilution, settlement/delivery) and risk-weighted assets (RWA) by method, exposure category and capital requirement (CR)

€ million	31.12.2014											
	Standard				IRB				Total			
	Gross Exposure	EAD	RWA	CR	Gross Exposure	EAD	RWA	CR	Gross Exposure	EAD	RWA	CR
Central governments and central banks	1,039	1,039	1,387	111	79,585	84,828	1,003	80	**80,625**	**85,868**	**2,390**	**191**
Institutions	46,664	57,180	918	73	61,317	55,125	8,303	664	**107,982**	**112,305**	**9,221**	**738**
Corporates	24,861	10,392	4,983	399	198,891	152,853	56,826	4,546	**223,752**	**163,245**	**61,808**	**4,945**
Retail customers					8,989	8,988	338	27	**8,989**	**8,988**	**338**	**27**
Equities	206	174	177	14	1,971	1,735	4,918	393	**2,177**	**1,909**	**5,095**	**408**
Securitisation	508	508	257	21	36,291	36,235	6,250	500	**36,799**	**36,742**	**6,507**	**521**
Assets other than credit obligation	4,670	4,657	4,330	346	115	108	108	9	**4,785**	**4,765**	**4,438**	**355**
Total	**77,948**	**73,950**	**12,052**	**964**	**387,160**	**339,872**	**77,745**	**6,220**	**465,108**	**413,822**	**89,797**	**7,184**

€ million	31.12.2013											
	Standard				IRB				Total			
	Gross Exposure	EAD	RWA	CR	Expo brute	EAD	RWA	CR	Expo brute	EAD	RWA	CR
Central governments and central banks	831	784	2	0	87,018	86,711	785	63	**87,849**	**87,495**	**787**	**63**
Institutions	31,550	31,269	3,142	251	73,561	58,699	6,502	520	**105,111**	**89,968**	**9,644**	**772**
Corporates	26,140	25,938	5,698	456	192,016	158,910	51,579	4,126	**218,156**	**184,848**	**57,277**	**4,582**
Retail customers					7,737	7,736	375	30	**7,737**	**7,736**	**375**	**30**
Equities	124	113	160	13	1,198	914	3,091	247	**1,322**	**1,027**	**3,251**	**260**
Securitisation	154	154	77	6	40,934	39,170	4,597	368	**41,088**	**39,324**	**4,674**	**374**
Assets other than credit obligation	14,687	14,676	9,800	784	116	91	91	7	**14,803**	**14,767**	**9,891**	**791**
Total	**73,486**	**72,932**	**18,880**	**1,510**	**402,579**	**352,231**	**67,019**	**5,362**	**476,065**	**425,164**	**85,899**	**6,872**

Settlement/delivery risk in the trading book

€ million	31.12.2014		31.12.2013	
	Total		Total	
	RWA	CR	RWA	CR
Settlement/delivery risk	21	2	13	1
Total	**21**	**2**	**13**	**1**

Gross exposure, exposure at default (EAD) to counterparty risk and risk-weighted assets (RWA) by method, category and capital requirement (CR)

€ million	31.12.2014											
	Standard				IRB				Total			
	Gross Exposure	EAD	RWA	CR	Gross Exposure	EAD	RWA	CR	Gross Exposure	EAD	RWA	CR
Central governments and central banks					6,583	6,556	345	28	**6,583**	**6,556**	**345**	**28**
Institutions	11,915	11,915	321	26	23,534	22,166	4,129	330	**35,449**	**34,081**	**4,450**	**356**
Corporates	331	331	186	15	21,107	20,933	7,923	634	**21,438**	**21,265**	**8,109**	**649**
Retail customers												
Equities												
Securitisation												
Assets other than credit obligation												
Total	**12,247**	**12,247**	**507**	**41**	**51,224**	**49,655**	**12,397**	**992**	**63,470**	**61,902**	**12,904**	**1,032**

€ million	31.12.2013											
	Standard				IRB				Total			
	Gross Exposure	EAD	RWA	CR	Gross Exposure	EAD	RWA	CR	Gross Exposure	EAD	RWA	CR
Central governments and central banks					3,748	3,748	190	15	**3,748**	**3,748**	**190**	**15**
Institutions	1,006	1,006	201	16	45,726	33,406	3,115	249	**46,732**	**34,412**	**3,316**	**265**
Corporates	265	265	316	25	18,262	18,262	6,236	499	**18,526**	**18,526**	**6,551**	**524**
Retail customers												
Equities												
Securitisation												
Assets other than credit obligation												
Total	**1,270**	**1,270**	**517**	**41**	**67,736**	**55,416**	**9,541**	**763**	**69,007**	**56,686**	**10,058**	**805**

■ Exposure at default (EAD) to counterparty risk on market transactions

€ million	Internal model (EEPE)*			Standard method**		
	IRB entities	Full standard	Sub-total	IRB entities	Full standard	Sub-total
Derivative instruments	39,901	0	39,901	10,705	499	11,204
Securities financing transactions anddeferred settlement transactions	0	0	0	10,759	0	10,759
TOTAL	**39,901**	**0**	**39,901**	**21,464**	**499**	**21,963**

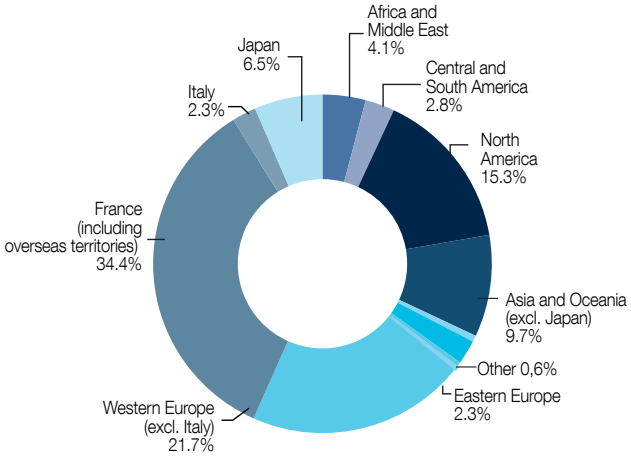
* Effective Expected Positive Exposure.
** Mark-to-market + add-on for all derivatives; standard method for securities financing transactions and deferred settlement transactions.

■ Exposures by geographic area

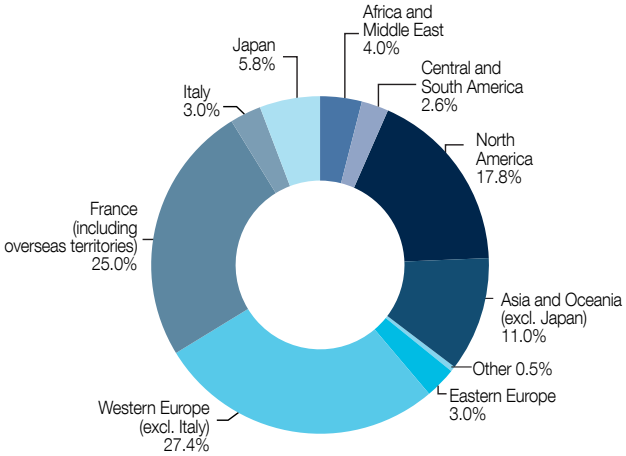
The breakdown applies to total exposures by geographic area for the Crédit Agricole CIB Group scope, excluding exposures under the standard approach, excluding securitisation transactions and adjustments not directly attributable to a geographic area.

At 31 December 2014, this amount is €426 billion (€351 billion at 31 December 2013).

2013



2014



■ Geographic breakdown by business category

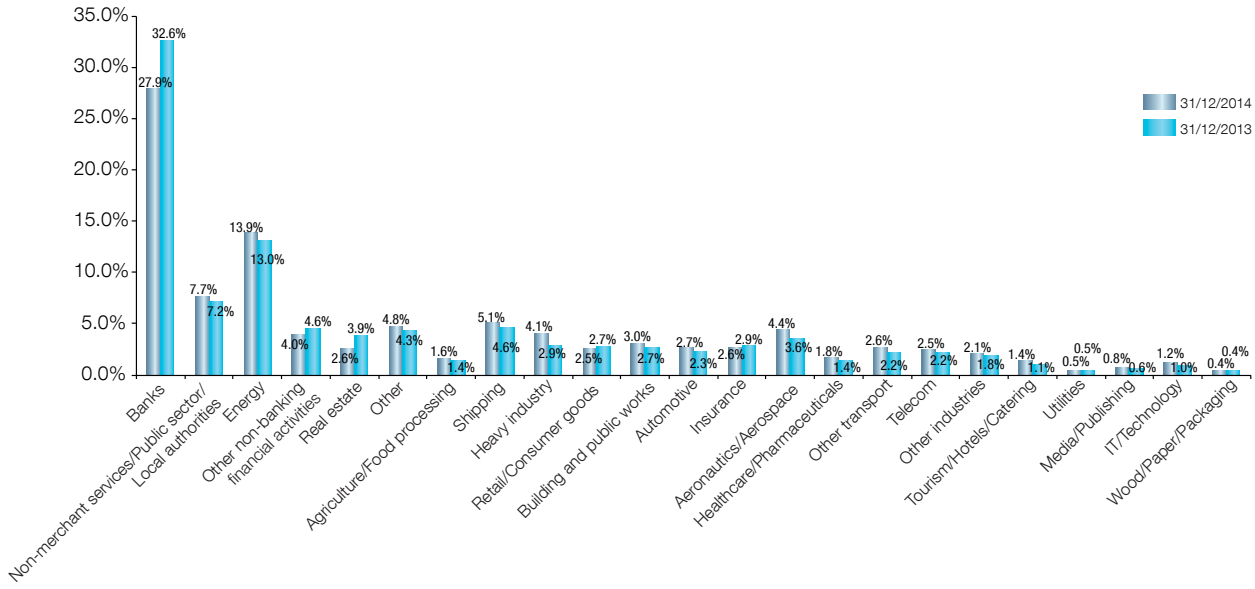
%	Central governments and central banks		Institutions		Corporates	
Geographic risk area	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Africa and Middle East	0.7%	0.5%	2.6%	4.3%	4.9%	5.1%
Central and South America	1.7%	1.5%	0.7%	0.8%	3.9%	3.5%
North America	25.3%	34.3%	10.1%	9.5%	14.8%	13.7%
Asia and Oceania, excl. Japan	4.4%	5.4%	8.6%	12.9%	12.1%	12.9%
Other	3.0%	2.2%	0.0%	0.0%	0.0%	0.0%
Eastern Europe	0.3%	0.3%	0.9%	1.5%	3.4%	4.0%
Western Europe, excl. Italy	18.2%	20.0%	15.0%	37.0%	25.1%	27.3%
France (incl. overseas territories)	24.7%	23.1%	57.3%	26.7%	29.6%	25.8%
Italy	0.2%	0.3%	1.2%	1.5%	3.4%	4.4%
Japan	21.6%	12.3%	3.7%	5.6%	2.7%	3.1%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

■ Exposure by business sector

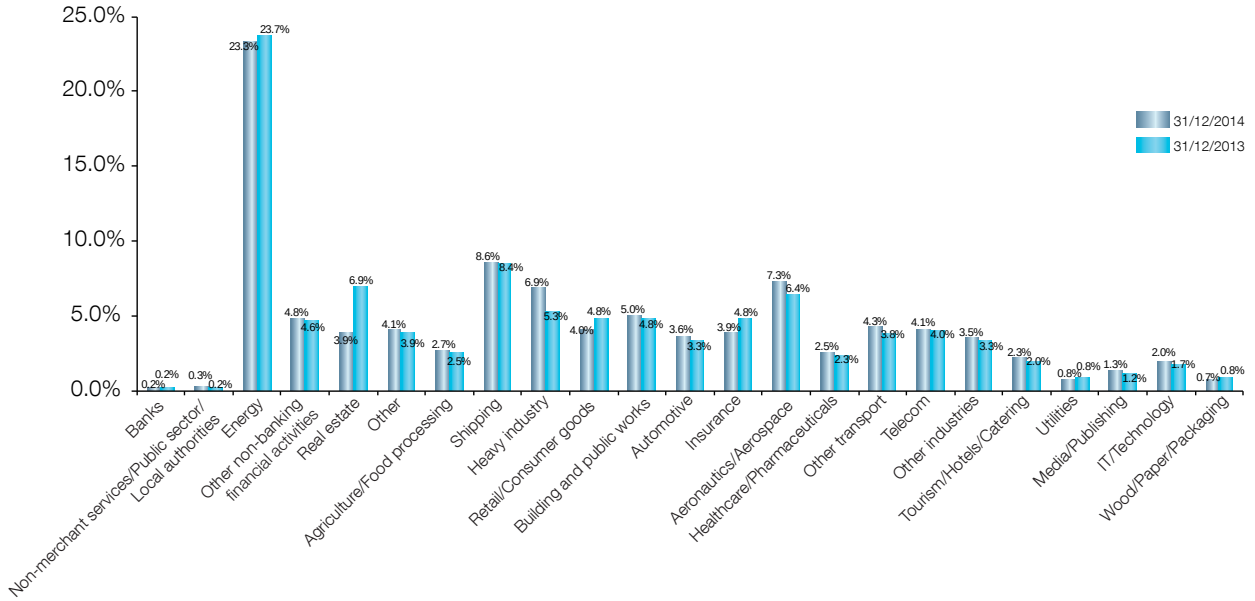
The breakdown applies to total Crédit Agricole CIB exposures by business sector, excluding exposures using the standard approach, securitisation transactions and adjustments not directly attributable to a business sector.

At 31 December 2014, this amount was €426 billion (€351 billion at 31 December 2013).

Breakdown of exposures by business sector – Overall scope



Breakdown of exposures by business sector – Corporates portfolio



Breakdown of exposures by residual maturity

The breakdown of exposures by residual maturity and financial instruments is available on an accounting basis in Note 3.3 “Liquidity and financing risk” of the Notes to the consolidated financial statements.

Quality of exposures

■ Quality of exposures using the standard approach

Credit assessment using the standard approach

Excluding exposures to real estate professionals, the Group does not use external credit rating agency assessments to calculate its weighted exposures in standard approach and applies standardized weightings.

As for exposures to real estate professionals treated using the standard method, Crédit Agricole CIB used the Banque de France rating, which makes it possible to attribute a weighting of 20%, 50%, 100% or 150% based on the cross-reference table provided by the ACPR.

■ Breakdown of exposures and exposures at default (EAD) by credit quality level

Governments and central banks

(€ million)	31.12.2014	
Credit quality level	Exposure amount	Exposure at default
1	414	414
2		
3	87	87
4	3	3
5		
6*	536	536
Total amount	**1 039**	**1 039**

* including the portion of deferred tax assets and risk-weighted assets weighted at 250%.

(en millions d'euros)	31.12.2013	
Weightings	Exposure amount	Exposure at default
1	828	781
2	1	1
3	0	0
4	2	2
5	-	-
6	-	-
Total amount	**831**	**784**

Institutions

(en millions d'euros)	31.12.2014	
Credit quality level	Exposure amount	Exposure at default
1*	46,659	57,175
2	5	5
3	1	
4		
5		
6		
Total amount	**46,664**	**57,180**

* including exposures to clearing houses weighted at 0% and 2%

(en millions d'euros)	31.12.2013	
Weightings	Exposure amount	Exposure at default
1	19,221	19,033
2	11,453	11,371
3	2	2
4	866	856
5	-	-
6	8	8
Total amount	**31,550**	**31,269**

■ Exposures using the internal ratings-based approach

Presentation of the system and the internal ratings-based procedure

The internal ratings-based systems and procedures are presented under "Risk Factors – Credit Risk – Risk measurement and assessment methodology and system" in the section "Risk Factors and Pillar 3" on pages 146 to 149.

Credit risk exposure by exposure categories and internal ratings at 31 December 2014

€ million	Counterparty internal rating	Probability of default	Gross exposure	EAD	EAD balance sheet	EAD off-balance sheet	RWA	Average LGD (in %)	Average RW	Expected Losses (EL)
Central governments and central banks	A+	Expected loss (EL)	60,995	65,464	63,307	2,157	0	1.0%	0.0%	-
	A		8,845	9,363	9,263	99	15	1.0%	0.2%	0.0
	B+		1,615	2,939	2,682	257	7	1.2%	0.2%	0.0
	B	0.06%	3,700	3,554	2,804	750	31	2.0%	0.9%	0.0
	C+	0.16%	706	1,175	1,057	118	113	13.3%	9.6%	0.3
	C	0.30%	1 501	1,630	1,561	68	171	10.0%	10.5%	0.5
	C-	0.60%	1 277	314	277	37	53	10.5%	16.7%	0.2
	D+	0.75%	408	167	145	22	188	53.4%	112.5%	0.5
	D	1.25%	105	96	96	-	121	45.0%	126.0%	0.5
	D-	1.90%	34	21	11	9	26	61.8%	123.8%	0.2
	E+	5.00%	74	13	12	2	32	59.6%	242.1%	0.4
	E	12.00%	61	20	17	3	32	77.5%	163.8%	3.6
	E-	20.00%	248	58	53	5	215	62.2%	370.1%	7.2
	F,Z	100.00%	16	16	16	-	0	45.0%	0.0%	13.4
Sub-total		**0.05%**	**79,585**	**84,828**	**81,302**	**3,526**	**1,003**	**1.7%**	**1.2%**	**26.9**
Institutions	A+ to B+	0.03%	35,844	33,145	28,433	4,712	1,261	9.5%	3.8%	1.1
	B	0.06%	12,227	10,795	8,392	2,403	1,369	20.3%	12.7%	1.6
	C+	0.16%	4 ,87	3,901	3,685	216	1,361	38.1%	34.9%	2.4
	C	0.30%	5,320	4,465	3,513	952	2,173	36.2%	48.7%	4.8
	C-	0.60%	1,406	995	859	136	774	43.7%	77.8%	2.5
	D+	0.75%	1,075	825	479	346	612	35.2%	74.2%	2.2
	D	1.25%	340	227	199	28	223	41.8%	98.2%	1.2
	D-	1.90%	302	213	166	47	241	35.1%	113.2%	1.7
	E+	5.00%	129	81	77	3	103	36.8%	127.9%	1.5
	E	12.00%	10	4	1	3	16	78.0%	401.2%	0.4
	E-	20.00%	99	49	42	8	168	72.6%	340.5%	5.5
	F,Z	100.00%	480	425	425	1	1	45.0%	0.2%	419.6
Sub-total		**0.90%**	**61,317**	**55,125**	**46,270**	**8,855**	**8,303**	**17.4%**	**15.1%**	**444.4**
Corporates	A+ to B+	0.03%	29,904	30,523	17,972	12,551	3,351	29.7%	11.0%	2.5
	B	0.06%	37,790	26,838	12,933	13,906	5,630	41.1%	21.0%	6.1
	C+	0.16%	30,018	24,543	17,054	7,488	7,701	34.5%	31.4%	12.3
	C	0.30%	39,159	29,393	20,787	8,606	12,233	33.5%	41.6%	34.2
	C-	0.60%	19,624	13,910	9,586	4,324	7,799	32.8%	56.1%	24.6
	D+	0.75%	14,482	9,408	7,113	2,295	5,773	32.5%	61.4%	20.0
	D	1.25%	10,545	5,739	3,820	1,919	4,200	33.6%	73.2%	20.4
	D-	1.90%	5,915	3,850	2,945	906	3,421	32.6%	88.8%	22.5
	E+	5.00%	3,066	2,200	1,881	319	2,112	27.8%	96.0%	29.0
	E	12.00%	2,741	2,063	1,628	435	2,084	20.7%	101.0%	49.5
	E-	20.00%	2,591	1,664	1,392	272	2,380	33.1%	143.0%	81.1
	F,Z	100.00%	3,056	2,721	2,636	85	143	39.4%	5.3%	1,340.3
Sub-total		**2.53%**	**198,891**	**152,853**	**99,747**	**53,106**	**56,826**	**33.9%**	**37.2%**	**1,642.4**
TOTAL		**1.50%**	**339,794**	**292,806**	**227,318**	**65,488**	**66,132**	**21.5%**	**22.6%**	**2,113.7**

■ Credit risk exposure for retail customers by exposure categories and internal ratings at 31 December 2014

(€ million)

Internal rating of counterparty	"Probability of default"	Average PD	Gross exposure	EAD	EAD Balance Sheet	EAD Off-balance sheet	Average CCF	RWA	Average LGD (in %)	Average RW (in %)	Expected Losses (EL)
Other retail loans											
1	0.03%<PD<0.04%	0.04%	856.9	856.9	856.9	-	N/A	5.9	6.0%	0.7%	0.0
2	0.04%<PD<0.08%	0.07%	2,936.0	2,936.0	2,935.5	0.6	100.0%	21.1	3.9%	0.7%	0.1
3	0.08%<PD<0.17%	0.11%	3,694.2	3,694.2	3,694.2	-	N/A	70.9	9.8%	1.9%	0.3
4	0.17%<PD<0.32%	0.20%	560.2	559.3	558.2	1.1	53.7%	62.6	26.9%	11.2%	0.3
5	0.32%<PD<0.64%	0.60%	258.0	258.0	258.0	-	N/A	89.0	40.9%	34.5%	0.6
6	0.64%<PD<0.96%										
7	0.96%<PD<1.28%										
8	1.28%<PD<2.56%	1.77%	66.9	66.9	66.9	-	N/A	25.0	28.7%	37.3%	0.3
9	2.56%<PD<5.12%										
10	5.12%<PD<15%	12.77%	120.7	120.7	120.7	-	N/A	45.6	20.1%	37.8%	3.1
11	15%<PD<22%	20.00%	1.9	1.9	1.7	0.2	98.9%	1.7	39.0%	92.1%	0.1
12	22%<PD<34%										
13	34%<PD<65%										
14	65%<PD<99%										
15	99%<PD<100%	100.00%	493.7	493.7	493.7	-	N/A	15.6	39.2%	3.2%	2.1
Total		**5.78%**	**8,988.4**	**8,987.5**	**8,985.7**	**1.8**	**66.2%**	**337.5**	**11.4%**	**3.8%**	**7.0**

■ PD and average LGD by exposure category and geographic area

Exposure category	Geographic risk area	IRBA method	
		PD	LGD
Central governments and central banks	AFRICA AND MIDDLE EAST	0.17%	1.33%
	NORTH AMERICA	0.00%	3.18%
	ASIA AND OCEANIA, EXCL. JAPAN	0.03%	0.63%
	OTHER	0.00%	0.11%
	EASTERN EUROPE	0.00%	0.06%
	WESTERN EUROPE, EXCLUDING ITALY	0.46%	3.27%
	FRANCE (INCLUDING OVERSEAS TERRITORIES)	1.58%	11.27%
	ITALY	0.00%	0.01%
	JAPAN	0.10%	2.36%
Institutions	AFRICA AND MIDDLE EAST	0.25%	4.01%
	NORTH AMERICA	0.01%	1.26%
	ASIA AND OCEANIA, EXCL. JAPAN	0.09%	4.76%
	OTHER	0.01%	0.87%
	EASTERN EUROPE	0.00%	0.14%
	WESTERN EUROPE, EXCLUDING ITALY	0.10%	2.39%
	FRANCE (INCLUDING OVERSEAS TERRITORIES)	2.07%	28.57%
	ITALY	0.00%	0.15%
	JAPAN	0.01%	0.62%
Corporates	AFRICA AND MIDDLE EAST	0.13%	1.29%
	NORTH AMERICA	0.40%	3.26%
	ASIA AND OCEANIA, EXCL. JAPAN	0.12%	1.90%
	OTHER	0.01%	0.05%
	EASTERN EUROPE	0.00%	0.25%
	WESTERN EUROPE, EXCLUDING ITALY	0.30%	3.65%
	FRANCE (INCLUDING OVERSEAS TERRITORIES)	0.81%	7.61%
	ITALY	0.07%	0.66%
	JAPAN	0.03%	0.37%
Retail customers	AFRICA AND MIDDLE EAST	1.07%	31.45%
	ASIA AND OCEANIA, EXCL. JAPAN	0.00%	0.00%
	OTHER	1.17%	15.92%
	WESTERN EUROPE, EXCLUDING ITALY	0.00%	0.02%
	FRANCE (INCLUDING OVERSEAS TERRITORIES)	0.00%	0.00%
	ITALY	0.00%	0.00%
	JAPAN	0.00%	0.00%

■ Impaired exposures and valuation adjustments at 31 December 2014

€ million	31.12.2014					
	Gross exposures	Impaired gross exposures			Individual valuation adjustments	Collective valuation adjustments
		Standard approach	IRB approach	Total		
Central governments and central banks	80,625	3	16	19	17	36
Institutions	107,982	0	480	480	425	112
Corporates	223,752	343	3,056	3,399	1,870	1,260
Retail customers	8,989	0	494	494	44	
Total	**421,347**	**346**	**4,045**	**4,391**	**2,356**	**1,407**

€ million	31.12.2013					
	Gross exposures	Impaired gross exposures			Individual valuation adjustments	Collective valuation adjustments
		Standard approach	IRB approach	Total		
Central governments and central banks	87,849	2	18	20	24	
Institutions	105,110	3	581	584	466	
Corporates	218,156	13	3,356	3,369	1,822	1,275
Retail customers	7,737		720	720	57	
Total	**418,852**	**18**	**4,674**	**4,692**	**2,369**	**1,275**

■ Impaired exposures and valuation adjustments by geographic area at 31 December 2014

31.12.2014 *€ million*	**Standard approach** payment arrears [1]	**Ratings approach** Exposures at default	**Individual valuation adjustments**	**Collective valuation adjustments**
Africa and Middle East				
Central and South America				
North America				
Asia and Oceania, excl. Japan			1	
Eastern Europe				
Western Europe, excl. Italy		291	188	
France (incl. overseas territories)	346	3,328	2,167	1,407
Italy		426		
Japan				
Total amount	**346**	**4,045**	**2,356**	**1,407**

31.12.2013 *€ million*	**Standard approach** Payment arrears[1]	**Ratings approach** Exposures at default	**Individual valuation adjustments**	**Collective valuation adjustments**
Africa and Middle East		91	63	31
Central and South America		611	572	33
North America		315	172	78
Asia and Oceania, excl. Japan		756	466	127
Eastern Europe		223	98	53
Western Europe, excl. Italy	18	1,117	611	442
France (incl. overseas territories)		496	352	323
Italy		839		
Japan		225	36	189
Total amount	**18**	**4,674**	**2,369**	**1,275**

[1] Payment arrears greater than 90 days

Credit risk mitigation techniques

Definitions:

- collateral: a security interest or equivalent guarantee granted that effectively reduces the credit risk incurred on an exposure given the bank's right to liquidate, hold or obtain the transfer or ownership of certain amounts or assets in the event of default or other specific credit events affecting the counterparty;
- personal guarantee: guarantee that effectively reduces credit risk incurred on an exposure through a third party's commitment to pay an amount in the event of a default by the counterparty or other specific events.

■ Collateral management system

The main categories of collateral taken by the Bank are described under "Risk Factors – Credit Risk – Collateral and Guarantees Received" in the section "Risk Factors and Pillar 3", page 151.

When a credit is granted, collateral is analysed specifically to assess the value of the asset, its liquidity, 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 specific trade finance transactions.

For financial collateral, a minimum exposure coverage ratio is usually included in loan contracts, with readjustment clauses. Financial collateral is revalued according to the frequency of margin calls and the variability of the underlying value of the financial assets transferred as collateral or quarterly, as a minimum.

The minimum coverage ratio (or the haircut applied to the value of the collateral under Basel 2) is determined by measuring the pseudo-maximum deviation of the value of the securities on the revaluation date. This measurement is calculated with 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 stock position necessitates a block sale or when the borrower and the issuer of the collateral securities belong to the same risk group.

Other types of asset may be pledged as collateral. This is notably the case for certain activities such as asset financing for aircrafts, shipping, real estate or commodities.

■ Insurance providers

Two main types of guarantee are generally used (excluding intra-Group guarantees):

- export credit insurance subscribed by the Bank;
- unconditional payment guarantees.

The main personal guarantee providers (excluding credit derivatives) are export credit agencies, most of which fall under sovereign risk and have an investment grade rating. The major ones are Coface (France), Sace S.p.A. (Italy), Euler Hermes (Germany) and Korea Export Insurance (Korea).

Financial health of export credit agencies - Available ratings of rating agencies

	Moody's	Standard & Poor's	Fitch Ratings
	Rating[outlook]	Rating [outlook]	Rating [outlook]
Coface S.A.	A2 [stable]		AA- [stable]
Euler Hermes	Aa3 [stable]	AA- [stable]	
Sace S.p.A.			A- [stable]

■ Credit derivatives used for hedging

Credit derivatives used for hedging purposes are described under "Risk Factors – Credit Risk – Use of Credit Derivatives" in the section "Risk Factors and Pillar 3", page 151.

Securitisation transactions

Credit risk related to securitisation transactions is described under "Pillar 3 – Risks related to securitisation transactions" in the section "Risk factors and Pillar 3", page 204.

Equity exposures in the banking book

Equity investments owned by Crédit Agricole CIB outside the trading book are made up of securities "that give residual and subordinated rights to the assets or income of the issuer or that are of a similar economic nature". They mainly consist of:

- listed and unlisted equities and shares in investment funds;
- embedded options in convertible bonds or bonds redeemable in or exchangeable for shares;
- equity options;
- deeply subordinated notes.

in € million	31.12.2014		31.12.2013	
	Gross exposures	Exposure at default	Gross exposures	Exposure at default
Equity exposure under the internal ratings-based approach	**1,965**	**1,729**	**1,198**	**914**
Exposures in the form of private equity held in sufficiently diversified portfolios	11	5	8	8
Exposures on listed shares	28	27	475	348
Other equity exposures	719	490	715	559
Investments of more than 10% in financial companies (250% weighting) used in the exemption calculation	**1,213**	**1,213**		
Equity exposures under the standard approach	**206**	**174**	**124**	**113**
Total equity exposures	**2,171**	**1,903**	**1,322**	**1,027**

Capital gains on disposals totalled €113 million in 2014.

Total unrealised capital gains and losses before tax recognised in other comprehensive income was €202 million at 31 December 2014.

The fraction of unrealised capital gains included in Tier 1 or Tier 2 capital totalled €214 million at 31 December 2014.

Risks related to securitisation transactions

■ Definitions of securitisation transactions

Crédit Agricole CIB Group carries out securitisation transactions as an originator, arranger or investor according to the Basel 3 criteria.

The securitisation transactions listed below are transactions as defined in Directive 2013/36/EU (CRD IV) and regulation (EU) 575/2015 of 26 June 2013 (CRR), in force as from 1 January 2014. This directive and regulation enact into European law the Basel 3 (December 2010) international reforms, which introduced new bank solvency and liquidity risk monitoring requirements. They cover transactions or structures under which the credit risk associated with an exposure or pool of exposures is sub-divided into tranches and which have the following features:

- payments for the transaction or structure depend on the performance of the exposure or pool of exposures;
- the subordination of tranches determines how losses are allocated over the life of the transaction or structure.

Securitisation transactions include:

- traditional securitisations, which involve the economic transfer of the securitised exposures. Ownership of the securitised exposures is transferred by the originating institution to a securitisation entity or sub-compartment of a securitisation entity. The securities issued do not represent payment obligations for the originating bank;
- synthetic securitisations, where the risk is transferred through the use of credit derivatives or guarantees and the securitised exposures are retained by the originating institution.

The Crédit Agricole CIB securitisation exposures detailed below cover all securitisation exposures (recognised on or off-balance sheet) that generate risk-weighted assets (RWA) and capital requirements with respect to the Group's regulatory capital portfolio, according to the following typologies:

- originator programmes, deemed efficient under Basel 3 insofar as there is a significant transfer of risks;
- programmes as arranger/sponsor, in which the Group has maintained positions;
- programmes issued by third parties in which the Group has invested;
- securitisation swap positions (currency or interest rate hedges) made on behalf of securitisation vehicles.

It should be noted that most securitisation transactions on behalf of European customers go through Ester Finance Titrisation, a wholly owned banking subsidiary of Crédit Agricole CIB, which finances the purchase of receivables. By definition, securitisation transactions on behalf of customers using this entity are classified under the role of originator.

■ Purpose and strategy

Proprietary securitisation activities

Crédit Agricole CIB's proprietary securitisation activities are as follows:

▶ Active management of the financing portfolio (Crédit Portfolio Management)

This activity consists in using securitisations and credit derivatives to manage the credit risk of the financing portfolio of the Group's

companies. It entails purchasing credit derivatives on single exposures (see "Credit risk – Use of credit derivatives" in the section "Risk Factors and Pillar 3") and the purchase of insurance on asset portfolio tranches to reduce the risk. It also entails selling credit derivatives and senior exposure tranches to diversify and reduce the sensitivity of the insurance portfolio.

The goals of this financing portfolio management are to optimise capital allocation, notably by reducing the concentration of outstanding loans to companies and by freeing up resources to promote origination in the banking book (as part of the Distribute to Originate model) and optimise the return on capital. This business is managed by the Credit Portfolio Management (CPM) team. The supervisory formula approach is used to calculate the weighted exposures on proprietary securitisations. In this activity, the Bank does not systematically purchase insurance on all tranches, as the management goal is to cover some of the most risky financing portfolio tranches whilst keeping part of the overall risk.

► Discontinuing activities

These consist of investments that are either managed in run-off, or exposures for which the risk is considered to be low and that Crédit Agricole CIB is willing to carry for the long term. In 2009, these were segregated into a dedicated prudential banking book in 2009. These activities generate no market risk.

Securitisation transactions carried out on behalf of customers as arranger/sponsor, intermediary or originator

Securitisation transactions on behalf of customers within Global Markets activities allow Crédit Agricole CIB to raise funds or manage a risk exposure on behalf of its customers. When carrying out these activities, Crédit Agricole CIB can act as an originator, sponsor/arranger or investor:

- As a sponsor/arranger, Crédit Agricole CIB structures and manages a securitisation programme that refinances assets of the bank's customers, mainly via asset backed commercial paper (ABCP) conduits, namely LMA in Europe and Atlantic in the United States. These specific entities are bankruptcy-remote and are consolidated at the Group level since the entry into force of the new IFRS 10 rules on 1 January 2014. The roles of the Crédit Agricole CIB Group as a sponsor of the conduits and a manager and provider of liquidity facilities bestow it with power directly linked to the variability of the activity's yields. The liquidity facilities protect the investors against credit risk and guarantee the liquidity of the conduits.
- As an originator, Crédit Agricole CIB participates directly or indirectly in the original agreement on the assets, which are subsequently used as underlyings for the securitisation transaction, mainly for the purpose of refinancing. Such is the case for the securitisation programmes involving Ester Finance Titrisation;
- As an investor, the Group invests directly in certain securitisation exposures and is a liquidity provider or counterparty for derivative exposures (i.e. currency or interest rate swaps).

As a sponsor/arranger and originator, Crédit Agricole CIB carries out securitisation transactions on behalf of its customers. At 31 December 2014, there were two active consolidated multi-seller vehicles (LMA and Atlantic), structured by the Group on behalf of third parties. LMA and Atlantic are fully supported conduits. This ABCP conduits activity finances the working capital requirements of some of the Group's customers by backing short-term financing with traditional assets, such as commercial or financial receivables. The amount of the assets held by these vehicles and financed through the issuance of marketable securities amounted to €16.1 billion at 31 December 2014 (€14.1 billion at 31 December 2013).

The default risk on the assets held by these vehicles is borne by the sellers of the underlying receivables through credit enhancements or by insurers for certain types of risk, upstream of the ABCP conduits. Crédit Agricole CIB bears the risk for the two ABCP conduits through liquidity facilities totalling €21.9 billion at 31 December 2014 (€18.5 billion at 31 December 2013). It should be noted that the Securitisation business has never sponsored any structured investment vehicles (SIV).

► Activities carried out as an arranger / sponsor

The conduits activity was sustained throughout 2014 and the newly securitised outstandings mainly relate to commercial and financial receivables.

Note that for part of this conduits activity, Crédit Agricole CIB acts as the originator insofar as the structures involve the entity Ester Finance Titrisation, which is a consolidated Group entity.

Thus, by excluding this part of the transactions, the amount committed to liquidity facilities granted to LMA and Atlantic, as arrangers and sponsors, amounted to €11.5 billion (€11.2 billion at 31 December 2013).

► Activities carried out as an originator

This activity relates to all securitisation programmes on behalf of customers for which the underlying receivables are transferred to Ester Finance Titrisation, a consolidated Group entity. Although the financing is carried out via ABCP conduits, as described above, the fact that the receivables pass through the Group's balance sheet makes Crédit Agricole an originator for these transactions.

This activity is carried out only in Europe and the exposure amount was €10.4 billion at 31 December 2014 (€7.3 billion at 31 December 2013).

► Activities carried out as an investor

As part of its sponsor activities, the Group can grant guarantees and liquidity facilities to securitisation vehicles or act as counterparty for derivatives in securitisation transactions involving special purpose vehicles. These transactions typically involve currency swaps granted to ABCP conduits and interest rate swaps for certain ABS issues. These activities are recorded in the banking book as investor activities.

Moreover, Crédit Agricole CIB may be called upon to directly finance on its balance sheet some securitisation transactions on behalf of its customers (mainly aeronautic or vehicle fleet financing transactions) or provide support through a liquidity facility to an issue carried out by special purpose entities not part of the bank (SPV or ABCP conduit not sponsored by the bank). In this case, Crédit Agricole CIB is deemed to be an investor. Overall, this activity represented outstandings of €1.5 billion at 31 December 2014 (€1.8 billion at 31 December 2013), including €1.2 billion in outstandings recognised on the balance sheet.

► Intermediary transactions

Crédit Agricole CIB participates in the pre-securitisation financing, structuring and placement with investors of securities backed by client asset pools.

In this business, the bank retains a relatively low risk insofar as it sometimes contributes back-up lines to the vehicles that issue the securities or holds a share of the securities issued.

■ Risk monitoring and recognition

▶ Risk monitoring

Risk management related to securitisation transactions follows the rules established by the Group and depends on whether the assets are recognised in the banking book (credit and counterparty risk) or trading book (market and counterparty risk).

The development, scaling and targeting of securitisation transactions are periodically reviewed by Portfolio Strategy Committees specific to those activities and the respective countries.

Risks on securitisation transactions are measured against the capacity of the assets transferred to financing vehicles to generate sufficient flows to cover the costs, mainly financial, of these vehicles.

Crédit Agricole CIB's securitisation exposures are treated using the IRB-securitisation approach, i.e.:

- Ratings Based Approach (RBA) for exposures with a public external rating (directly or inferred) from an agency approved by the Committee of European Banking Supervisors (CEBS). The external agencies used are Standard & Poor's, Moody's, Fitch Ratings and Dominion Bond Rating Services (DBRS);
- Internal Assessment Approach (IAA): the Bank's internal ratings-based methodology approved by Crédit Agricole S.A.'s Standards and Methodology Committee for the main asset classes (particularly commercial receivables) when there are no agency ratings for the exposure under consideration;
- Supervisory Formula Approach (SFA): in residual cases where there are neither public external ratings nor any possibility of applying the IAA method for exposures with no public external rating.

These ratings cover all types of risks generated by these securitisation transactions: intrinsic risks on receivables (debtor insolvency, late payments, dilution, offsetting of receivables) or risks on the structuring of transactions (legal risks, risks relating to the receivables collection channels, risks relating to the quality of information supplied periodically by managers of transferred receivables, etc.).

These critically examined ratings are only a tool for making decisions pertaining to these transactions; such decisions are taken by Credit Committees at various levels.

Credit decisions assign various limits to transactions, which are reviewed at least once a year by the same Committees, based on changes in the acquired portfolio (arrears rate, loss rate, rate of sector-based or geographical concentration, rate of dilution of receivables or periodic valuation of assets by independent appraisers, etc.); non-compliance with these limits may result in greater limitations being placed on the entity or the transaction to be put in early amortisation.

These credit decisions also include, in liaison with the Bank's other Credit Committees, an assessment focusing on the risk generated by the recipients of the receivables and the possibility of substituting the manager by a new one in the event of mismanagement of those receivables.

Like all credit decisions, these decisions include aspects of compliance and "country risk".

The liquidity risk associated with securitisation activities is monitored by the business lines in charge, but also centrally by the Market Risk and Asset and Liability Management (ALM) departments. The impact of these activities is incorporated into the Internal Liquidity Model indicators - mainly the stress scenarios, liquidity ratios and liquidity gaps. The management of liquidity risk at Crédit Agricole CIB is described in more detail in the paragraph "Liquidity and financing risk" of the Risk Factors part of this section.

The management of structural foreign exchange risk with respect to securitisation activities does not differ from that of the Group's other assets. As regards interest rate risk management, securitised assets are refinanced through special purpose vehicles according to rules for matching interest rates closely to those of the other assets.

For assets of discontinuing activities, each transfer of position is first approved by Crédit Agricole CIB's Market Risk Department.

▶ Accounting methods

As part of securitisation transactions, Crédit Agricole CIB carries out a de-recognition test with regard to IAS 39 (whose criteria are listed in note 1.3 on accounting policies and principles of the consolidated financial statements).

In the case of synthetic securitisations, the assets are not derecognised, as they remain under the control of the institution. The assets continue to be recognised according to their original classification and valuation method. (See Note 1.3 on Accounting policies and principles of the consolidated financial statements for the classification and valuation of financial assets).

Crédit Agricole CIB does not carry out any traditional securitisation of financial assets on a proprietary basis. Moreover, investments in securitisation instruments (cash or synthetic) are recognised on the basis of their classification and their associated valuation (see Note 1.3 on Accounting policies and principles of the consolidated financial statements for the classification and valuation of financial assets).

Securitisation positions can be classified into the following accounting categories.

- "Loans and receivables": following their initial recognition, these securitisation positions are measured at amortised cost using the effective interest rate and are, where necessary, subject to impairment,
- "Available-for-sale financial assets": these securitisation positions are re-measured at fair value on the closing date, with changes in fair value shown as gains and losses in other comprehensive income,
- "Financial assets at fair value through profit or loss": these securitisation positions are re-measured on the closing date, with changes in fair value recognised under "net gains/(losses) on financial instruments at fair value through profit or loss".

Gains on disposals of securitisation positions are recognised in accordance with the rules for the original category of the positions sold.

Thus for positions recognised as loans and receivables and available-for-sale financial assets, the gain on disposal is recorded as income under "net gains/(losses) on AFS" and the respective sub-headings "gains/(losses) on disposal of loans and receivables" and "gains/(losses) on disposal of AFS".

For positions recognised at fair value through profit or loss, gains on disposal are recognised under "net gains/(losses) on financial instruments at fair value through profit or loss".

■ 2014 activity review

Crédit Agricole CIB's securitisation activity in 2014 was marked by:

- the establishment of a synthetic securitisation for a USD 2 billion portfolio of trade finance and corporate exposures, established by CPM as part of its financing portfolio management. This synthetic securitisation was the first such transaction carried out by CPM since 2011.
- support for the development of the public ABS market in the United States and its reopening in Europe. Crédit Agricole CIB structured and organised the placement (as arranger and bookrunner) of a significant number of primary ABS issues on behalf of its large "Financial Institutions" customers, notably in the automobile and consumer finance sector.
- in the ABCP conduits market, Crédit Agricole CIB maintained its position amongst the leaders in both the European and US markets. It renewed and initiated new securitisation transactions involving commercial and financial receivables on behalf of its customers, mostly corporate, while ensuring a favourable risk profile borne by the bank. Crédit Agricole CIB's strategy of focusing on customer financing is appreciated by investors and enabled continued competitive financing terms.

At 31 December 2014, Crédit Agricole CIB had no early repayment securitisation programme and no resecuritisation positions, nor did it provide implicit support for any Crédit Agricole securitisation programmes during 2014.

Exposure at default of securitisation transactions in the banking book that generate risk-weighted assets using the IRB approach

Exposure at default of securitisation transactions by role

Underlyings (€ million)	Securitised EAD at 31.12.2014						TOTAL
	Traditional			Synthetic			
	Investor	Originator	Sponsor	Investor	Originator	Sponsor	
Residential real estate loans	205	1,373	130	12	20		1,740
Commercial real estate loans	24		12	5			41
Credit card receivables							-
Leasing	14		2,051				2,065
Loans to corporates and SMEs	675	376		9,313	714		11,078
Personal loans	68	281	2,737				3,087
Commercial loans and receivables	22	10,057	3,932				14,011
Other assets	4	383	3,818	9			4,213
Total	**1,012**	**12,470**	**12,680**	**9,339**	**734**		**36,235**

Exposure at default of securitisation transactions by weighting method

Underlyings (€ million)	Securitised EAD at 31.12.2014			TOTAL
	SFA	IAA	RBA	
Residential real estate loans			1,740	1,740
Commercial real estate loans			41	41
Credit card receivables				
Leasing		1,898	167	2,065
Loans to corporates and SMEs	10,010		1,068	11,078
Personal loans		2,663	424	3 087
Commercial loans and receivables	203	13,805	3	14,011
Other assets	1 439	515	2,259	4,213
Total	**11,652**	**18,881**	**5,702**	**36,235**

Exposure at default of securitisation transactions by on- or off-balance sheet accounting classification

Underlyings (€ million)	Securitised EAD at 31.12.2014		TOTAL
	On-balance sheet balance sheet	Off-balance sheet	
Residential real estate loans	1,541	199	1,740
Commercial real estate loans	8	33	41
Credit card receivables			
Leasing	-	2,065	2,065
Loans to corporates and SMEs	521	10,557	11,078
Personal loans	5	3,082	3,087
Commercial loans and receivables	86	13,925	14,011
Other assets	1,062	3,151	4,213
Total	**3,223**	**33,012**	**36,235**

Securitisation positions held or acquired in the banking book by approach and by weighting

€ million	31.12.2014				31.12.2013			
	Exposure at default (EAD)*		Capital requirement		Exposure at default (EAD)*		Capital requirement	
Weighting	**Total**	**o/w resecuritisation**	**Total**	**o/w resecuritisation**	**Total**	**Dont Retitrisation**	**Total**	**o/w resecuritisation**
External ratings based approach	**5 702**	**1 803**	**243**	**21**	**4 017**	**202**	**138**	**27**
6%-10% weighting	1,389		9		1,583		11	
12%-35% weighting	2,129	381	21	2	1,968	17	25	
40%-75% weighting	73		5		118	78	5	3
100%-650% weighting	689	28	164	4	271	107	52	24
Weighting = 1,250%	1,422	1,393	45	16	77		45	
Internal assessment approach	**18,881**		**169**		**16,624**		**118**	
Average weighting (%)	11.19%		11.19%		8.84%		8.84%	
Supervisory formula approach	**11,652**		**88**		**18,529**		**112**	
Average weighting (%)	9.41%		9.41%		7.58%		7.58%	
Total banking book	**36,235**	**1,803**	**500**	**21**	**39,170**	**202**	**368**	**27**

* Exposure at default of weighted positions

Exposure at default for proprietary and third-party securitisation transactions totalled €12,152 million and €24,083 million, respectively, at 31 December 2014.

▶ Exposure at default of trading book securitisations generating RWA using the standard approach

Exposure at default of trading book securitisations generating RWA using the standard approach

Underlyings (€ million)	Securitised EAD at 31.12.2014						
	Traditional			Synthetic			TOTAL
	Investor	Originator	Sponsor	Investor	Originator	Sponsor	
Residential real estate loans	46						46
Commercial real estate loans	2						2
Credit card receivables							
Leasing							
Loans to corporates and SMEs	15						15
Personal loans							
Commercial loans and receivables							
Other assets							
Autres actifs	581	99					680
Total	**644**	**99**					**743**

Securitisation positions held or acquired in the trading book by approach and by weighting

(€ million)	31.12.2014			31.12.2013		
Risk weighting tranche	Long positions	Short positions	Capital requirement	Long positions	Short positions	Capital requirement
EAD subject to weighting						
7%-10% weightings	73			5		
12%-18% weightings	10					
20%-35% weightings	83			319		1
40%-75% weightings	2			356		
100% weightings	5			6		
150% weightings	165					
200% weightings						
225% weightings						
250% weightings	6			11		
300% weightings	36			55		
350% weightings				0		
425% weightings	12		1	13		1
500% weightings	168					
650% weightings						
750% weightings						
850% weightings						
1,250% weightings	183		13	223		11
Internal assessment approach	**743**		**14**	**989**		**12**
Supervisory formula approach						
Transparency method						
Total net of capital deductions						
1,250% / Positions deducted from capital						
Total trading book	**743**		**14**	**989**		**12**

Capital requirements relative to securitisations held or acquired in the trading book

(€ million)	31.12.2014				31.12.2013			
	Long positions	Short positions	Total weighted positions	Capital requirements	Long positions	Short positions	Total weighted positions	Capital requirements
EAD subject to weighting	**743**		**292**	**15**	**989**		**266**	**13**
Securitisations	133		30		410		43	5
Resecuritisation	610		262		579		224	8
Deductions								
Total trading book	**743**		**292**	**15**	**989**		**266**	**13**

Market risks

Internal model market risk measurement and management methodology

Market risk measurement and management methods using internal models are described under “Risk factors – Market risk” in the section “Risk Factors and Pillar 3”, page 156.

Trading book valuation rules and procedures

The rules for valuing the various items in the trading book are presented in note 1.3 “Accounting policies and principles” of the Notes to the financial statements.

The measurement models are reviewed periodically as described under “Risk Factors – Market Risk” in the section “Risk Factors and Pillar 3” on page 156.

Global interest rate risk

The type of interest rate risk, the main underlying assumptions retained and the frequency of interest rate risk measurements are described under “Risk factors – Global interest rate risk” in the section “Risk Factors and Pillar 3”, page 169.

Operational risks

Advanced measurement approach for calculating capital

The scope of application of the advanced and standard approaches and a description of the advanced approach methodology are provided under “Risk factors – Operational risk” in the section “Risk Factors and Pillar 3”, page 173

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Insurance techniques for reducing operational risk

The insurance techniques used to reduce operational risk are described under “Risk factors - Operational risk insurance and coverage” in the section “Risk Factors and Pillar 3”, page 173.

6

CONSOLIDATED FINANCIAL STATEMENTS AS 31 DECEMBER 2014

Approved by the Board of Directors in its meeting of 16 February 2015 and put to shareholders for their approval in the 30 April 2015 shareholders' meeting

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The consolidated financial statements consist of the general framework, the consolidated financial statements and the notes to the consolidated financial statements.

GENERAL BACKGROUND

LEGAL PRESENTATION OF CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

Corporate's name:
Crédit Agricole Corporate and Investment Bank.

Trading names:
Crédit Agricole Corporate and Investment Bank – Crédit Agricole CIB - CACIB.

Adress and registered office:
9, quai du Président Paul Doumer
92920 Paris La Défense Cedex - France.

Registration number: 304 187 701, Nanterre Trade and Companies Registry

NAF Code: 6419 Z (APE)

Corporate form:
Crédit Agricole Corporate and Investment Bank is a French Societé Anonyme (joint stock corporation) with a Board of Directors, governed by the laws and regulations applicable to credit institutions and joint stock corporations and by its Articles of Association.

Since December 2011, Crédit Agricole Corporate and Investment Bank is affiliated with Crédit Agricole S.A. according to the French Monetary and Financial Code.

Share Capital:
EUR 7,254,575,271

RELATED PARTIES

Parties related to Crédit Agricole CIB are companies of Crédit Agricole S.A. Group, companies of Crédit Agricole Group that are fully consolidated, proportionately consolidated or accounted for using the equity method, and Senior Executives of the Group.

Relations with Crédit Agricole S.A. group

On-and off-balance sheet amounts representing transactions between the Crédit Agricole CIB Group and the rest of the Crédit Agricole S.A. Group are summarized in the following table:

€ million	31.12.2014
ASSETS	
Loans and advances	11,941
Derivatives financial instruments held for trading	41,952
LIABILITIES	
Accounts and deposits	24,794
Derivatives financial instruments held for trading	41,907
Subordinated debts	4,572
Preferred shares	
FINANCING COMMITMENTS AND GUARANTEES	
Other guarantees given	234
counter- guarantees received	313
Other guarantees received	1,119
Refinancing agreements received	61

The outstandings of loans and advances represent cash relations between Crédit Agricole CIB and Crédit Agricole S.A..

The outstandings of derivatives instruments held for trading mainly represent Crédit Agricole Group interest-rate hedging transactions arranged by Crédit Agricole CIB in the market.

CACIB, 99.9% owned by Crédit Agricole Group since 27 December 1996, and some of its subsidiaries, are part of the fiscal integration group formed at the level of Crédit Agricole SA..

In this regard, Crédit Agricole S.A. usually indemnifies CACIB S.A. (France) for its own tax losses chargeable to the tax profits of Crédit Agricole Group.

Relations between consolidated companies of Crédit Agricole CIB group

A list of the Crédit Agricole CIB Group's consolidated companies can be found in note 12.

Transactions realised between two fully consolidated entities are fully eliminated.

Outstandings at year-end between fully consolidated companies and equity consolidated companies are not eliminated in the Group's consolidated financial statements. At 31 December 2014, non-elimitated outstandings with its partners, the associate BSF (Bank Saudi Fransi), the joint-venture UBAF and Elipso on- and off the balance sheet are:

€ million	31.12.2014
ASSETS	
Loans and advances	12
Derivatives financial instruments held for trading	65
LIABILITIES	
Accounts and deposits	206
Derivatives financial instruments held for trading	107
GUARANTEE COMMITMENTS	
Other guarantees received	146
Counter-guarantees received	4

Relations with executive officers and senior management

Detailed information on senior management compensation is provided in note 7.7 " Executive officers' compensation".

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

€ million	Notes	31.12.2014	31.12.2013 restated[2]
Interest and similar income	4.1	4,632	4,799
Interest and similar expenses	4.1	(2,707)	(2,744)
Fee and commission income	4.2	1,672	1,498
Fee and commission expenses	4.2	(631)	(524)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	1,107	722
Net gains (losses) on available-for-sale financial assets	4.4	144	15
Income on other activities	4.5	177	64
Expenses on other activities	4.5	(42)	(75)
NET BANKING INCOME		**4,352**	**3,755**
Operating expenses	4.6, 7.1, 7.4, 7.6	(2,690)	(2,689)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	4.7	(90)	(91)
GROSS OPERATING INCOME		**1,572**	**975**
Cost of risk	4.8	(311)	(516)
NET OPERATING INCOME		**1,261**	**459**
Share of net income of equity-accounted entities	6.16	162	124
Net income on other assets	4.9	53	1
Change in value of goodwill	6.19	(22)	
PRE-TAX INCOME		**1,454**	**584**
Income tax charge	4.10	(396)	(153)
Net income from discontinued or held-for-sale activities		3	156
NET INCOME		**1,061**	**587**
Non-controlling interests		12	22
NET INCOME - GROUP SHARE		**1,049**	**565**
Basic earnings per share (in €) [1]	6.22	3.90	2.10
Diluted earnings per share (in €) [1]	6.22	3.90	2.10

[1] Corresponds to income including net income from discontinued and held-for-sale operations
[2] The effects of the change in accounting policy related to the new consolidation standards are detailed in Note 11.

NET INCOME AND OTHER COMPREHENSIVE INCOME

€ million	Notes	31.12.2014	31.12.2013 restated[1]
Net Income		**1,061**	**587**
Actuarial gains (losses) on post-employment benefits		(167)	27
Gains (losses) on non-current assets held-for-sale			
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities		**(167)**	**27**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities			
Income tax related to items that will not be reclassified to profit and loss excluding equity-accounted entities		**53**	**(11)**
Income tax related to items that will not be reclassified to profit and loss on equity-accounted entities			
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax		**(114)**	**16**
Gains (losses) on currency translation adjustment		279	(88)
Gains (losses) on available for-sale-assets		39	10
Gains (losses) on hedging derivative instruments		336	(416)
Gains (losses) on non-current assets held-for-sale		16	34
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities		**670**	**(460)**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities, Group share		**229**	**(82)**
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities		**(121)**	**126**
Income tax related to items that may be reclassified to profit and loss on equity-accounted entities			**1**
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax		**778**	**(415)**
Other comprehensive income net of income tax	4.11	**664**	**(399)**
Net income and other comprehensive income		**1,725**	**188**
of which non-controlling interests		15	64
of which Group share		1,710	124

[1] The effects of the change in accounting policy related to the new consolidation standards are detailed in Note 11.

BALANCE SHEET – ASSETS

€ million	Notes	31.12.2014	31.12.2013 restated[1]	01.01.2013 restated[1]
Cash, due from central banks	6.1	47,877	56,168	37,259
Financial assets at fair value through profit or loss	6.2, 6.8	355,729	310,004	360,583
Derivative hedging instruments	3.2, 3.4	2,351	1,396	1,833
Available-for-sale financial assets	6.4, 6.6, 6.7, 6.8	25,097	27,750	30,054
Loans and receivables due from credit institutions	3.1, 3.3, 6.5, 6.7, 6.8	45,367	39,583	54,703
Loans and receivables due from customers	3.1, 3.3, 6.5, 6.7, 6.8	119,991	109,974	123,048
Revaluation adjustment on interest rate hedged portfolios		34	23	33
Held-to-maturity financial assets	6.7, 6.8, 6.10			
Current and deferred tax assets	6.13	1,277	1,502	2,325
Accruals, prepayments and sundry assets	6.14	42,932	39,621	47,461
Non-current assets held for sale	6.15		268	3,858
Investments in equity-accounted entities	6.16	1,959	1,573	1,966
Investment property				
Property, plant and equipment	6.17	381	395	435
Intangible assets	6.17	165	153	143
Goodwill	6.18	937	953	958
TOTAL ASSETS		**644,097**	**589,363**	**664,659**

[1] The effects of the change in accounting policy related to the new consolidation standards are detailed in Note 11.

BALANCE SHEET - LIABILITIES

€ million	Notes	31.12.2014	31.12.2013 restated[1]	01.01.2013 restated[1]
Due to central banks	6.1	2,207	2,036	1,057
Financial liabilities at fair value through profit and loss	6.2	355,939	322,640	386,005
Hedging derivative instruments	3.2, 3.4	1,086	787	1,060
Due to credit institutions	3.3, 6.9	71,608	58,034	54,391
Due to customers	3.1, 3.3, 6.9	96,792	107,341	105,505
Debt securities	3.2, 3.3, 6.11	50,720	41,126	45,275
Revaluation adjustment on interest rate hedged portfolios		93	47	109
Current and deferred tax liabilities	6.13	541	482	531
Accruals, deferred income and sundry liabilities	6.14	42,828	34,922	44,244
Liabilities associated with non-current assets held for sale				3,718
Insurance company technical reserves		11	11	11
Provisions	6.19	1,596	1,362	1,322
Subordinated debt	3.2, 3.3, 6.11	4,567	5,162	5,775
Total liabilities		**627,988**	**573,950**	**649,003**
Equity	6.20			
Equity, Group share		16,012	15,303	15,120
Share capital and reserves		8,160	8,160	8,160
Consolidated reserves		5,808	6,244	6,574
Other comprehensive income		995	353	824
Other comprehensive income on non-current assets held for sale			(19)	(49)
Net income/(loss) for the period		1,049	565	(389)
Non-controlling interests		97	110	536
Total equity		**16,109**	**15,413**	**15,656**
TOTAL EQUITY AND LIABILITIES		**644,097**	**589,363**	**664,659**

[1] The effects of the change in accounting policy related to the new consolidation standards are detailed in Note 11.

CHANGE IN SHAREHOLDERS' EQUITY

€ million	Group share									Non-controlling interests					Total consolidated equity
	Share capital and reserves				Other comprehensive income			Net income	Total Equity	Capital, consolidated reserves and income	Other comprehensive income			Total Equity	
	Share capital	Share premiums and consolidated reserves	Elimination of treasury shares	Total Capital and consolidated reserves	Other comprehensive income on items that will not be reclassified to profit and loss	Other comprehensive income on items that may be reclassified to profit and loss	Total other comprehensive income				Other comprehensive income on items that will not be reclassified to profit and loss	Other comprehensive income on items that may be reclassified to profit and loss	TTotal other comprehensive income		
Equity at 1st January 2013 published	7,255	7,101		14,356	(165)	940	775		15,131	572	1	(37)	(36)	536	15,667
Impact of new consolidation standards (IFRS 11)		(11)		(11)					(11)						(11)
Equity at 1st January 2013 restated	7,255	7,090		14,345	(165)	940	775		15,120	572	1	(37)	(36)	536	15,656
Capital increase										(409)				(409)	(409)
Change in treasury shares held															
Dividends paid in 2013										(21)				(21)	(21)
Impact of acquisitions/ disposais on non-controlling interests										(60)				(60)	(60)
Changes due to share-based payments															
Changes due to transactions with shareholders										(490)				(490)	(490)
Change in other comprehensive income					16	(376)	(360)		(360)			42	42	42	(318)
Share of changes in equity of equity-accounted entities						(81)	(81)		(81)						(81)
2013 net income								565	565	22				22	587
Other changes		59		59					59						59
Equity at 31 Decembre 2013 restated	7,255	7,149		14,404	(149)	483	334	565	15,303	104	1	5	6	110	15,413
Appropriation of 2013 net income		565		565				(565)							
Equity at 1st January 2014	7,255	7,714		14,969	(149)	483	334		15,303	104	1	5	6	110	15,413
Capital increase										(1)				(1)	(1)
Change in treasury shares held															
Dividends paid in 2014		(1,000)		(1,000)					(1,000)	(13)				(13)	(1,013)
Impact of acquisitions/ disposais on non-controlling interests															
Changes due to share-based payments															
Changes due to transactions with shareholders		(1,000)		(1,000)					(1,000)	(14)				(14)	(1,014)
Change in other comprehensive income					(114)	546	432		432			3	3	3	435
Share of changes in equity of equity-accounted entities						229	229		229						229
2014 net income								1,049	1,049	12				12	1,061
Other changes		(1)		(1)					(1)	(14)[1]				(14)	(15)
Equity at 31 December 2014	7,255	6,713		13,968	(263)	1,258	995	1,049	16,012	88	1	8	9	97	16,109

(1) Sales of Semeru on 1st May 2014

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities are Crédit Agricole CIB's revenue generating activities. Tax inflows and outflows are included in full within operating activities.

Investing activities show the impact of cash inflows and outflows associated with purchases and sales of investments in Consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic investments classified as available for sale.

Financing activities show the impact of cash inflows and outflows associated with shareholders' equity and long-term financing.

Net cash flows attributable to operating activities, investment and financing activities of **discontinued operations** are presented on separate headings in the cash flow statement.

Net cash and cash equivalents include cash, debit and credit balances with central banks, and debit and credit sight balances with banks.

€ million	31.12.2014	31.12.2013 restated[6]
Pre-tax income	**1,454**	**584**
Net depreciation and impairment of property, plant and equipment and intangible assets	90	91
Impairment of goodwill and other fixed assets	22	0
Net depreciation charges to provisions	207	416
Share of net income (loss) of equity-accounted entities	(162)	(124)
Net income (loss) on investment activities	55	86
Net income (loss) on financing activities	171	240
Other movements	609	(1,471)
Total non-cash and other adjustment items included in pre-tax income	**992**	**(762)**
Change in interbank items	8,393	(807)
Change in customer items	(20,746)	18,506
Change in financial assets and liabilities	(2,924)	(12,576)
Change in financial assets and liabilities	4,562	(2,611)
Dividends received from equity-accounted entities	5	11
Tax paid	(142)	666
Net increase (decrease) in assets and liabilities used in operating activities	**(10,852)**	**3,189**
Cash provided (used) by discontinued activities		(160)
TOTAL net cash flows from (used by) OPERATING activities (A)	**(8,406)**	**2,851**
Change in equity investments[3]	426	(48)
Change in property, plant and equipment and intangible assets	(35)	(86)
Cash provided (used) by discontinued activities		387
TOTAL net cash flows from (used by) INVESTMENT activities (B)	**391**	**253**
Cash received from (paid to) shareholders[4]	(1,013)	(430)
Other cash provided (used) by financing activities[5]	(1,013)	(598)
Cash provided (used) by discontinued activities		2
TOTAL net cash flows from (used by) FINANCING activities (C)	**(2,026)**	**(1,026)**
Impact of exchange rate changes on cash and cash equivalents (D)	**2,502**	**(2,892)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	**(7,539)**	**(814)**
Opening cash and cash equivalents	**48,680**	**49,494**
Net gain (losses) on cash and central banks (assets and liabilities) [1]	54,127	36,199
Net gain (losses) on interbank sight balances (assets and liabilities) [2]	(5,447)	13,295
Closing cash and cash equivalents	**41,141**	**48,680**
Net gain (losses) on cash and central banks (assets and liabilities) [1]	45,664	54,127
Net gain (losses) on interbank sight balances (assets and liabilities) [2]	(4,523)	(5,447)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(7,539)**	**(814)**

[1] Consisting of the net balance of «Bank and central banks items», excluding accrued interests.
[2] Consisting of the balance of «performing current accounts in debit and performing overnight accounts and advances» as detailed in note 6.5 and of «current accounts in credit and overnight overdrafts and accounts» as disclosed in note 6.9 (excluding accrued interests)
[3] Change in equity Investments:
This line reflects notably net cash flows related to the sale of its shares in Newedge for €271.6 million, in Immobiliara Colonial for €54.8 million and Semeru for 5.3 million and to the exclusion from the scope of consolidation of IFUK securities for €39.8 million.
[4] The cash flow from or to shareholders mainly includes the dividends paid by Crédit Agricole CIB S.A. to Crédit Agricole S.A. for -€999.5 million and dividends paid to minority shareholders for -€13.5 million.
The main dividend payments to minority shareholders relates to Crédit Foncier de Monaco.
[5] During 2014, there was no issue of subordinated term debt or bonds. This line mainly includes the repayment of subordinated debt to Crédit Agricole S.A. for €993.5 million and the payment of associated interests for €170.4 million.
[6] The effects of the change in accounting policy related to the new consolidation standards are detailed in Note 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES AND PRINCIPLES APPLICABLE, ASSESSMENTS AND ESTIMATES USED

1.1 Applicable standards and comparability

Pursuant to EC regulation 1606/2002, the consolidated financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2014 as adopted by the European Union (the carve-out version) and using certain dispensations of IAS 39 as regards macro-hedge accounting.

The applicable standards are available on the European Commission website, at the following address: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The standards and interpretations are identical to those used and described in the Group financial statements at 31 December 2013.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2014 and that must be applied in 2014 for the first time. They cover the following:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time application: financial years from	Applicable in the Group
IFRS 10 on consolidated financial statements	11 December 2012 (EU No. 1254/2012)	1 January 2014	Yes
IFRS 11 on joint arrangements	11 December 2012 (EU No. 1254/2012)	1 January 2014	Yes
IFRS 12 on disclosure of interests in other entities	11 December 2012 (EU No. 1254/2012)	1 January 2014	Yes
Amended IAS 27 on parent company's financial statements	11 December 2012 (EU No. 1254/2012)	1 January 2014	No
Amended IAS 28 on investments in associates and joint ventures	11 December 2012 (EU No. 1254/2012)	1 January 2014	Yes
Amendment to IAS 32 on presentation of financial assets and financial liabilities offsetting effects	13 December 2012 (EU No.1256/2012)	1 January 2014	Yes
Amendments related to IFRS 10 transitional provisions: Consolidated financial statements, IFRS 11: Joint arrangements and IFRS 12: Disclosures of interests in other entities	4 April 2013 (EU No. 313/2013)	1 January 2014	Yes
Amendments to IFRS 10 and 12 relating to investment entities	20 November 2013 (EU No. 1174/2013)	1 January 2014	No
Amendment to IAS 36 on recoverable amount disclosures for non financial assets	19 December 2013 (EU No. 1374/2013)	1 January 2014	Yes
Amendments to IAS 39 on financial instruments: recognition and measurement relating to the novation of derivatives and continuation of hedge accounting	19 December 2013 (EU No. 1375/2013)	1 January 2014	Yes

The consolidation standards IFRS 10, 11 and 12 and IAS 28 amended came into effect on 1 January 2014, and apply retrospectively. They require the nature of equity interests to be reviewed in light of the new control model, changes in the consolidation method in the event of joint control, and disclosures in the notes.

IFRS 10 supersedes IAS 27 and SIC 12 and introduces a common framework for analysing control based on three cumulative criteria:

(1) power held over the relevant activities of the investee;

(2) exposure or rights to variable returns; and

(3) the ability to use the power over the investee to affect its returns.

The main impact of the first-time application of IFRS 10 was the inclusion within the scope of consolidation of two multi-seller ABCP conduits (LMA and Atlantic) and 16 "Fonds Commun de Titrisation" (FCT – Securitisation Funds) designed to refinance on the market securitisation transactions on behalf of customers, in Europe and in the United States. Indeed, the conduit sponsor and liquidity provider roles played by Crédit Agricole S.A. Group give it power directly connected with the variability of returns from the business. The liquidity facilities protect investors from credit risk and guarantee the liquidity of the conduits.

The inclusion of these entities into the scope of consolidation increased the balance sheet at 1January 2013 by €8,082 million. The impact on the income statement was deemed immaterial.

IFRS 11 supersedes IAS 31 and SIC 13. It outlines how joint control is exercised through two forms of arrangements: joint operation and joint venture.

In joint operations, the parties have rights to the entity's assets, obligations in respect of its liabilities, and must recognise the assets, liabilities, income and expenses relating to their interest in the joint operation. Conversely, joint ventures in which the parties share the rights to the net assets are no longer proportionally consolidated, but are accounted for under the equity method in accordance with IAS 28 amended.

The change in consolidation method associated with the first-time application of IFRS 11 and IAS 28 amended, means that the share of interests in such entities is now presented on a single line in the balance sheet, income statement and other comprehensive income.

The effect was to reduce the size of the balance sheet at 1 January 2013 by €23,058 million with no change in net financial position.

The main impacts of the new consolidation standards can be found in Note 11 Impact of accounting changes (new consolidation standards) and other events. Changes to the scope of consolidation are explained in Note 12 Scope of consolidation at 31 December 2014.

The application of the other standards has no significant impact on net income and equity.

IFRS 12 gathers all the information to be disclosed on interests held in the other consolidated entities and other non-consolidated structured entities, aiming at qualifying the associated risks and the impact on the financial position, performance and cash flows.

The main impact of the first-time application of IFRS 12 is operational, with an upgrade of data collection and restitution system used for producing data of the Notes.

The new disclosures required by IFRS 12 are given in the following notes:

- Note 6.16 Joint ventures and associates;
- Note 6.21 Non-controlling interests;
- Note 12.1.1 Restrictions on entities under Group control;
- Note 12.1.2 Support for structured entities under Group control;
- Note 13.2 Non-consolidated structured entities.

Moreover, where the early application of standards and interpretations adopted by the European Union is optional for a period, this option is not selected by the Group, unless otherwise stated.

This in particular applies to:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time mandatory application: financial years from	Applicable in the Group
IFRIC 21 Interpretation Levies	13 June 2014 (EU No. 634/2014)	1 January 2015	Yes
Amendment on annual improvements to IFRS 2011-2013 cycle changing IFRS 3, IFRS 13 and IAS 40	18 December 2014 (EU 1361/2014)	1 January 2015	Yes

IFRIC 21 interpretation provides guidance on accounting for taxes and other government levies covered by IAS 37 Provisions, contingent liabilities and contingent assets (excluding fines and other penalties or company income tax covered by IAS 12). It notably clarifies:

- The timing for recognising taxes and levies;
- And whether they can be recognised progressively over the financial year.

Given these clarifications, implementation of IFRIC 21 will change the trigger event for recognition of some taxes and levies (registration delayed until subsequent year and/or end of the practice of spreading recognition over the year). The following taxes will in particular be affected:

- Systemic tax, ACPR tax and UK Bank levy tax, whose recognition will no longer be spread over the year;
- Company social solidarity contribution (C3S), which is no longer provisioned over the course of the revenue acquisition period in favour of full recognition the following year.

The application of IFRIC 21 will not have any material impact on income or equity.

Furthermore, standards and interpretations that have been published by the IASB, but not yet been adopted by the European Union, will become mandatory only as from the date of such adoption. The Group has not applied them at 31 December 2014.

1.2 Presentation of financial statements

In the absence of a required presentation format under IFRS, Crédit Agricole S.A. Group's complete set of financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement) has been presented in the format set out in ANC Recommendation 2013-04 of 7 November 2013.

1.3 Accounting policies and principles

Use of assessments and estimates to prepare the financial statements

Estimates made to draw up the financial statements are by their nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Future results may be influenced by many factors, including:

- activity in domestic and international markets;
- fluctuations in interest and exchange rates;
- the economic and political climate in certain industries or countries;
- changes in regulations or legislation.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following assessments:

- financial instruments measured at fair value;
- investments in non-consolidated companies;
- retirement plans and other post-employment benefits;
- stock option plans;
- long-term depreciation of available-for-sale financial assets and held-to-maturity investments;
- impairment of loans;
- provisions;
- impairment of goodwill;
- deferred tax assets;
- valuation of equity-accounted entities;
- deferred participation benefits.

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.

IFRS 13 defines fair value as the amount that would be received for the sale of an asset or paid for the transfer of a liability at arm's length transaction between market participants, on the principle market or the most advantageous market, at the valuation date.

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.

■ Financial securities

Classification of financial assets

Under IAS 39, securities are divided into four categories:

- financial assets at fair value through profit or loss 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 held for trading or financial assets designated at fair value through profit or loss

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 of being designated as at fair value by Crédit Agricole CIB Group.

Financial assets at fair value through profit or loss classified as held for trading are assets acquired or generated by the enterprise primarily with the aim of disposal in the short term or which are included in a portfolio of financial instruments managed as a unit and with the purpose of making a profit from short-term price fluctuations or an arbitrage margin.

Financial assets may be designated 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.

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, as Net gains (losses) on financial instruments at fair value through profit or loss.

No impairment losses are booked for this category of securities.

Outstanding syndication securities held for sale are recognised as Financial assets held for trading and are measured at fair value.

▶ Held-to-maturity financial assets

The category Held-to-maturity financial assets (applicable to securities with fixed maturities) includes securities with fixed or determinable payments that Crédit Agricole CIB Group has the intention and ability to hold until maturity other than:

- securities that are initially designated as financial assets at fair value through profit or loss at the time of initial recognition by Crédit Agricole CIB Group;
- 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 for this category of securities is not allowed for hedge accounting under IAS 39.

Held-to-maturity financial assets 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 premium or discount and transaction costs using the effective interest method.

Impairment rules for this financial asset category are disclosed in the section on "Impairment of securities" for securities 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 premium or discount and transaction costs using the effective interest method, as interest margin.

Impairment rules for this financial asset category are disclosed in the section on "Impairment of securities" for securities measured at amortised cost.

In case of sale, the gain on sale is recognised as income, as net gain (losses) on AFS (in a sub-section « gain (losses) on sales on loans and receivables »).

▶ 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 financial assets" are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition and including accrued interest.

"Available-for-sale financial assets" are later measured 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, as net gain (losses) on AFS.

Amortisation of any premiums or discounts and any transaction costs on fixed income securities are 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 CIB 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 six consecutive months. Crédit Agricole CIB Group may also take account of other factors such as financial difficulties of the issuer, or short term prospects, etc.

Notwithstanding the above-mentioned criteria, Crédit Agricole CIB 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 recognised:

- for securities measured at amortised cost through the use of an impairment account, the amount of the loss is recognised in the income statement, and may be reversed in case of subsequent improvements;
- for available-for-sale securities, the amount of the aggregate loss is transferred from other comprehensive income to the income statement; in the event of subsequent 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

Crédit Agricole CIB recognized securities classified as "Held-to- maturity financial assets" and "Loans and receivables" on the settlement date. Other securities, regardless of type or classification, are recognised on the trade date.

■ Reclassification of financial assets

IAS 39 allows «available-for-sale financial assets» to be reclassified as «held-to-maturity financial assets» where there is a change in management intention and if the criteria for reclassification as held-to-maturity are respected.

In accordance with the amendment to IAS 39, published and adopted by the European Union in October 2008, it is also authorized to reclassify financial assets as follows:

- from " held-for-trading financial assets " and " available-for-sale financial assets " to " loans and receivables " if the entity intends and is able to hold the financial asset concerned for the fore- seeable future or until maturity, subject to compliance with eligibility criteria as per reclassification date (and in particular the criterion of no listing on an active market);
- in rare and documented circumstances, from the "held-for-trading financial assets" to the "available-for-sale financial assets or "held-to-maturity financial assets" categories, subject to compliance with eligibility criteria as per reclassification date.

Fair value on the reclassification date becomes the reclassified asset's new cost or new amortized cost, as the case may be. Information on reclassifications carried out by Crédit Agricole CIB in accordance with the amendment to IAS 39 is provided in note 9 "Reclassification of financial instruments".

■ 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, the amounts received, representing the liability to the transferee, are recognised on the transferor's liability side of balance sheet.

Items borrowed or bought under repurchase agreements are not recognised on the balance sheet of the transferee.

A receivable is recognised for the amount paid. If the security is subsequently sold, the transferee recognises a liability measured at fair value in respect of their obligation to return the security under the repurchase agreement.

Revenue and expenses relating to such transactions are posted 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 held for trading" and are measured at fair value.

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 recognized in the balance sheet under the appropriate category of loans and receivables and booked to the income statement.

Loans and receivable impairment

In accordance with IAS 39, loans recorded under "Loans and receivables" are impaired when they present one objective indication of impairments resulting of one or more loss events, which occur in the collection of such loans, such as:

- borrower in serious financial difficulties;
- a breach of contract such as a default on the payment of interest or principal;
- the granting by the lender to the borrower, for economic or legal reasons connected with the borrower's financial difficulties, of a facility that the lender would not have envisaged in other circumstances (loan restructuring);
- increasing probability of bankruptcy or other financial restructuring of the borrower.

Once these loans and receivables have been identified, they may be individually or collectively assessed for impairment, or in the form of discounts on loans restructured due to customer default.

Impairment charges and reversals of impairment losses for non-recovery risk are recognised in cost of risk and any increase in the carrying amount of the loan arising from the accretion of the impairment or amortisation of the restructured loan discount is recognised in net interest income.

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 commitments are covered by provisions recognised as liabilities.

► Individual impairment losses

The identified risk of loss is firstly individually assessed for impairment. Foreseeable losses are assessed by recognition of individual impairment of loans and receivables of all kind, even those which are guaranteed, if they present an objective indication of impairment. The impaired amount corresponds 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.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

► Collective impairment losses

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 CIB Group takes various collective impairment losses, calculated using models developed on the basis of these statistical data, by way of deduction from asset values. They are determined

for a homogeneous class of loans displaying similar credit risk characteristics.

Calculation of impairment losses using Basel models

Under Basel regulations, each Crédit Agricole CIB 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 Risk Management's experienced judgement. The amount of this impairment is obtained by applying to the amount of anticipated losses calculated using the Basel models, a maturity correction factor designed to take account of the need to record impairment losses for the anticipated losses up to maturity.

Other loans collectively assessed for impairment

Crédit Agricole CIB 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.

Loan restructuring

Loans restructured due to financial difficulties are loans classified in default at the time of the restructuration, for which the entity has changed the initial financial terms (interest rate, term) due to economic or legal reasons related to borrower financial difficulties, under conditions that would not have been considered in other circumstances.

They therefore consist of loans that are classified as in default and, since 1 January 2014, performing loans at the date they are restructured.

This excludes loans renegotiated for commercial reasons, with a view to developing or preserving a commercial relationship, and not due to the counterparty's financial difficulties.

The reduction of future cashflows granted to the counterparty, or the extension of these cashflows to a longer term results in the recognition of a discount. This represents future loss of cash flow discounted at the original effective interest rate. It is equal to the difference between:

- the book value of the loan;
- and the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The loss recognised when a loan is restructured is recorded under cost of risk. Its amortisation then affects the interest margin.

Restructured loans are overseen depending on their rating in accordance to Basel regulations are impaired depending on the estimated credit risk. They are individually impaired within 30 days of a missed payment.

Restructured loans remain in this category for two years (three years if they were in default when restructured).

Watch list loans

Watch list loans consist of loans for which payment arrear has been recorded but for which no individual impairment has been set apart.

■ 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 at accounting end-periods;
- financial liabilities designated as at fair value through profit or loss upon initial recognition. Financial liabilities 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 which 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.

The recognition of structured issues at fair value includes the changes in the Group's issuer credit risk.

Crédit Agricole CIB Group's structured issues are classified as Financial liabilities designated at fair value through profit or loss. Nevertheless, these structured issues are subject to economic hedge using financial instruments managed within trading books. According to IAS 39, the classification of structured issues designated at fair value through profit or loss enables to align the accounting method of all related transactions whose global performance is measured at fair value.

Revaluation adjustments related to own credit risk are measured using models based on the Group's refinancing conditions, as established at the end of the corresponding reporting period. They also take account of the residual term of the relevant liabilities.

■ Securities classified as financial liabilities or equity

Distinction between liabilities and equity

Securities are classified as debt instruments based on the economic substance of the contractual terms.

A debt instrument or financial liability is a contractual obligation to:

- deliver cash or another financial asset or
- exchange instruments under potentially unfavourable conditions.

An equity instrument is a contract that offers a discretionary return, represents a residual interest in a company's net assets after deducting liabilities and is not qualified as a debt instrument.

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.

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.

Where 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 revalued through profit or loss. The hedged item is wholly accounted for according to its classification. For available-for-sale securities, changes in fair value subsequent to the ending of the hedging relationship are recorded in other comprehensive income. For hedged items valued at amortised cost, which were interest rate hedged, the revaluation adjustment is amortised over the remaining life of those hedged items ;
- 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 revaluation adjustment is therefore amortised over the remaining life of those hedged items;
- hedges of net investments 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 by maximizing the use of observable input data. It is presented following the hierarchy defined in IFRS 13.

IFRS 13 defines fair value as the amount that would be received for the sale of an asset or paid for the transfer of a liability at a normal transaction between market participants, on the principle market or the most advantageous market, at the valuation date.

Fair value applies separately to each financial asset and each financial liability. Exceptionally, it can be estimated by portfolio, if the management intent and risk management allow it and are subject to appropriate documentation. Hence, when a group of financial assets and liabilities are managed on a net exposure basis to market and credit risks, some parameters of the fair value are calculated on a net basis. This is the case for the calculation of CVA/DVA and FVA.

Credit Agricole CIB considers that the best evidence of fair value is quoted prices published in an active market.

When such quoted prices are not available, fair value is established by using a valuation technique based on observable data or unobservable inputs.

Fair value of structured issues

In accordance with IFRS13, Crédit Agricole CIB values its structured issues, recognised at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Group issues.

Counterparty risk on derivative instruments

Crédit Agricole CIB Group incorporates into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and the non-performance risk for derivative liabilities (Debt Valuation Adjustment or DVA or own credit risk).

The CVA makes it possible to determine the expected losses due to the counterparty from the perspective of Crédit Agricole CIB Group, and DVA the expected losses due to Crédit Agricole CIB Group from the perspective of the counterparty.

The calculation of the CVA/DVA is based on estimated expected losses having regard to the probability of default and the loss given default. The methodology used maximises the use of observable entry data. It is primarily based on market data such as registered and listed CDS (or Single Name CDS) or CDS proxy.

Costs and benefits related to derivatives' funding

As of 30 June 2014, Crédit Agricole CIB has completed its financial instruments' valuation measurement, taking into account good market practises :

- The value of non-collateralised or partially collateralized derivative instruments incorporates a Funding Valuation Adjustment (FVA) that represents costs and benefits related to the financing of these instruments. This adjustment is measured based on positive or negative future exposure of transactions for which a cost of financing is applied.

Its first time application at 30 June 2014 was reflected in the recognition of a loss of -€167 million.

These changes are detailed in Note 10.2 « Information about financial instruments measured at fair value ».

Fair value hierarchy

The standard classifies fair value into three levels based on the observability of inputs used in valuation techniques.

▶ Level 1: fair value corresponding to prices (unadjusted) in active markets.

Level 1 is composed of financial instruments that are quoted in an active market. These are stocks and bonds listed on active markets (such as the Paris Stock Exchange, the London Stock Exchange or the New York Stock Exchange) and also fund securities listed on an active market and derivatives traded on an organised market, notably 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. When current prices of financial instruments are unavailable at the reporting date, Crédit Agricole CIB refers to the price of the most recent transaction.

For financial assets and liabilities with offsetting market risks, Crédit Agricole CIB 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 measured using directly or indirectly observable inputs other than those in 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 listed on an inactive market or non-listed on an active market but for which fair value is established using a valuation methodology usually used by market participants (such as discounted cash flow techniques or the Black & Scholes model) and based on observable market data;
- instruments that are traded over the counter, the fair value of which is measured with models using observable market data, i.e. derived from various and independent available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of market interest rates as observed at the reporting date.

When the models are consistent notably 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 margin 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 in particular liquidity risk and counterparty risk.

Absence of accepted valuation method to determine equity instruments' fair value:

In accordance with 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 equity investments in companies 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 of derivative instruments involved in a fair value hedge

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 S.A. 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.

The derivative instruments and repos handled by Crédit Agricole CIB with clearing houses that meet the two criteria required by IAS 32 have been offset on the balance sheet.

The effect of this netting is presented in the table in note 6.12 on the amendment to IFRS 7 on disclosures regarding the offsetting of financial assets and financial liabilities.

■ Financial guarantees and commitments 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 depreciation recognized in accordance with IAS 18 "Revenue".

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;and 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 continue to be recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is derecognised in full or in part:

- when it is extinguished, or
- when quantitative and qualitative analyses suggest it has undergone a substantial change following restructuring.

Provisions (IAS 37 and 19)

Crédit Agricole CIB 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 updated where applicable whenever there is a material impact.

For obligations other than those related to credit risk, Crédit Agricole CIB has set aside general provisions to cover:

- operational risks;
- employee benefits;
- financing commitment execution risks;
- claims and liability guarantees;
- tax risks

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 at the end of the reporting period.

Detailed information is provided in section 6.19.

Employee benefits (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, including salaries, social security contributions, annual leave, profit-sharing and incentive plans and premiums, are defined as those which are expected to be settled within twelve months of the period in which the related services have been rendered;
- 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 employee benefits other than post-employment benefits or termination benefits but not fully due to employees within 12 months after the end of the period in which the related services have been rendered.

These include, in particular, bonuses and other deferred compensation payable 12 months or more after the end of the period during which they have been granted, but which are not share-based.

The measurement method is similar to the one used by the Group for post-employment benefits with defined-benefit plans.

■ Post-employment benefits

Defined-benefit plans

At each reporting date, Crédit Agricole CIB 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 accordance 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 retirement liability may increase or decrease in future years (see note 7.4 Post-employment benefits, defined-benefit plans).

Discount rates are determined based on the average term of the commitment, that is, the arithmetical average of the terms 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.

The expected return on plan assets is determined using discount rates applied to measure the defined benefit obligation.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined-benefits at the end of the reporting period, calculated in accordance with the actuarial method recommended by IAS 19;
- if necessary, reduced by the fair value of the assets allocated to covering 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.

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 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 CIB Group has no liabilities in this respect other than their ongoing contributions.

Share-based payment (IFRS 2)

IFRS 2 on share-based payment requires valuation of share-based payment transactions in the Company's income statement and balance sheet.

The standard applies to transactions carried out with employees, and more specifically:

- share-based payment transactions settled in equity instruments;
- share-based payment transactions settled in cash.

Share-based payment plans initiated by Crédit Agricole CIB Group that are eligible for IFRS 2 are of both kinds.

The cost of stock options settled in Crédit Agricole S.A. equity instruments and the cost of share subscriptions are recognised as follows for "cash settled" plans:

- as Employee expenses, with a corresponding liability. These expenses are linearly spread over the vesting period (between 3 and 4 years) taking into account service and/or performance conditions. The fair value of the related liability is re-measured until its settlement taking into account the possible unrealisation of those conditions and the change in value of Crédit Agricole S.A. stock.

Crédit Agricole S.A. shares' subscription proposed to employees as part of the group Employee Share Ownership Plan is also governed by IFRS 2. Crédit Agricole CIB Group applies the treatment set out in the release issued by the CNC on 21 December 2004, supplemented by the release issued by the CNC on 7 February 2007. Shares may be offered to employees with a discount of no more than 20%. These plans have no vesting period but the shares are subject to a lock-up period of five years. The benefit granted to employees is measured as the difference between the fair value of acquired share taking into account the lock-up period and the purchase price paid by the employee at the issue date multiplied by the number of shares issued.

Current and deferred tax

Crédit Agricole CIB is 99.9%-owned by the Crédit Agricole Group since 27 December 1996 and some of its subsidiaries are part of the tax consolidation Group of Crédit Agricole S.A..

In accordance with IAS 12, the income tax charge includes all income taxes, whether current or deferred.

IAS 12 defines current tax liability as "the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a reporting 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:

- the 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) at 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 12% of long-term capital gains on the sale of equity investments, as defined by the General Tax Code, are exempt from tax as from the tax year commencing on 1 January 2007; the 12% 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 share.

Current and deferred tax is recognised in net income for the year, unless the tax arises from:

- either a transaction or event that is recognised directly through 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 income taxes assessed by the same tax authority:
  - either for the same taxable entity, or
  - on different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to settle their tax assets and liabilities at the same time 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 charge continues to be recognised under the "Income tax charge" heading in the income statement.

However, given that the legislative intent when introducing the tax credit for competitiveness and employment (Crédit d'Impôts pour la Compétitivité et l'Emploi CICE) was to reduce labour costs, Crédit Agricole CIB chose to recognise the CICE (Article 244 quater C of the French General Tax Code CGI) as a reduction in employee expenses.

Treatment of fixed assets (IAS 16, 36, 38 and 40)

Crédit Agricole CIB 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 and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation 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 life.

The following components and depreciation periods have been adopted by Crédit Agricole CIB 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	3 to 7 years
Specialist equipment	4 to 5 years

Exceptional depreciation charges corresponding to tax-related depreciation and not to any real impairment in the value of the asset are eliminated in the consolidated financial statements.

Foreign currency transactions (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

On the reporting date, foreign-currency denominated monetary assets and liabilities are translated into Crédit Agricole CIB Group's functional currency on the closing date. The resulting translation 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 other comprehensive income.

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 at the closing rate at the end of the reporting period.

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 other comprehensive income if the gain or loss on the non-monetary item is recorded in other comprehensive income.

Fees and commissions (IAS 18)

Fee and commission income and expenses are recognised in income based on the nature of services with which they are associated:

- fees and commissions 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 result from a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised in Fees and commissions by reference to the stage of completion of the transaction at the end of the reporting period:
  - Fees and commissions paid or received in consideration for nonrecurring services are fully recognised in the income statement. Fees and commissions 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 fees and commissions 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,
  - Fees and commissions in consideration for ongoing services, such as fees and commissions on payment instruments, are recognised in the income statement and spread over the duration of the service rendered.

Leases (IAS 17)

As required by IAS 17, leases are analysed in accordance with their substance and financial reality. They are classified as

operating leases or finance leases.

Finance lease transactions 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.

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 expenses (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.

If the fair value of a disposal group less selling costs is under its carrying amount after impairment of non-current assets, the difference is allocated to other disposal group assets including the financial assets and is recognised under net income of held-for-sale operations.

A discontinued operation is a component that the Group has either 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 profit or loss (after tax) from discontinued operations until the date of disposal;
- the gain or loss (after tax) 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 (IFRS 10, IFRS 11 et IAS 28)

Scope of consolidation

The consolidated financial statements include the financial statements of Crédit Agricole CIB and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole CIB. exercises control, joint control or significant influence.

■ Definitions of control

In compliance with international standards, all entities under control, under joint control or under significant influence are consolidated, provided that they are not covered by the exclusions below.

Control exists if Crédit Agricole CIB. is exposed to or entitled to receive variable returns as a result of its involvement with the entity and if the power it holds over this entity allows it to influence these returns. Power in this context means substantive (voting or contractual) rights. Rights are considered substantive if the holder of the rights can in practice exercise them when decisions about the company's relevant activities are made.

Crédit Agricole CIB is deemed to control a subsidiary through voting rights when its rights give it the practical ability to direct the subsidiary's relevant activities. Crédit Agricole CIB is generally considered to control a subsidiary when it holds more than half the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except when it can be clearly demonstrated that such ownership does not give it the power to direct its relevant activities. Control is also deemed to exist where Crédit Agricole CIB holds half or less than half of the voting rights, including potential rights, in an entity but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the size of its stake in the voting rights compared to those of other investors, or other reasons.

Control of a structured entity is not assessed on the basis of voting rights as these have no effect on the entity's returns. When assessing control, consideration is given not only to contractual arrangements in force but also to whether Crédit Agricole CIB was involved in creating the entity and what decisions it made at the time, what agreements were made at its inception and what risks are borne by Crédit Agricole CIB, any rights under agreements that give the investor the power to direct relevant activities in specific circumstances only and any other facts or circumstances that indicate the investor can direct the entity's relevant activities. Where there is a management agreement, the extent of decision-making powers granted to the delegated manager and the remuneration accorded by such contractual agreements are examined to establish whether the manager is in practice acting as an agent (with delegated powers) or as a principal (on their own account). Furthermore, when decisions on the entity's relevant activities are taken, the indicators used to assess whether an entity is acting as agent or principal are as follows: the extent of the decision-making powers compared to the powers over the entity delegated to the manager, the remuneration provided for under the contractual agreements, any substantive rights that may affect the decision-making capacity of other parties involved in the entity and the exposure to variable returns of other interests in the entity.

Joint control is deemed to exist when there is a contractual division of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous agreement of the joint controllers.

In traditional entities, significant influence is defined as the power to influence but not control a company's financial and operational policies. Crédit Agricole CIB is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

■ Exclusions from the scope of consolidation

In accordance with IAS 28 § 18, minority interests held by venture capital entities are excluded from the scope of consolidation insofar as they are classified under financial assets at fair value through profit or loss (including financial assets classified as held for trading and financial assets designated at fair value through profit or loss upon initial recognition).

Consolidation methods

The methods of consolidation are respectively defined by IFRS 10 and IAS 28 revised. They depend on the type of control exercised by Crédit Agricole CIB over the entities that can be consolidated, regardless of activity or whether or not they have legal entity status:

- full consolidation, for controlled entities, including entities with different financial statement structures, even if their business is not an extension of that of Crédit Agricole CIB;
- the equity method, for the entities over which Crédit Agricole CIB exercises significant influence or joint control.

Full consolidation consists in substituting for the value of the shares each of the assets and liabilities 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 IFRS 10 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.

The equity method consists in substituting for the value of shares the Group's proportional share of the equity and income of the companies concerned.

The change in the carrying amount of these shares includes changes in goodwill. In the event of incremental share purchases or partial disposals with continued joint control or significant influence, Crédit Agricole CIB recognises:

- in the case of an increase in the percentage of interest, additional goodwill;
- in the case of a reduction in the percentage of interest, a gain or loss on disposal/dilution in profit or loss.

Adjustments and eliminations

Adjustments are made to harmonise the methods of valuing the consolidated companies.

Group internal transactions affecting the consolidated balance sheet and income statement are eliminated for fully consolidated entities.

Capital gains or losses arising from intra-Group asset transfers are eliminated; any potential lasting impairment resulting from an internal disposal 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). The translation is made as if the information had been recognised initially in the functional currency (same translation principles as for foreign currency transactions);
- 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. These translation differences are recognised as income during the total or partial transfer of the entity. In the event of the sale of a subsidiary (exclusive control), the reclassification of equity as income takes place only in the event of a loss of control.

Business combinations Goodwill (IFRS 3)

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control which are excluded from the field of application of IFRS 3. Pursuant to IAS 8, these transactions are entered at carrying amount using the pooling of interests method, with reference to US standard ASU805-50 which seems to comply with the IFRS general principles.

On the date of acquisition of 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 recognised at fair value even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement. Only price adjustment clauses relating to transactions where control was obtained at the latest by 31 December 2009 may still be recorded against goodwill, because these transactions were accounted for under IFRS 3 pre revision (2004).

The portion of holdings not allowing control that are shares of current interests giving rights to a share of the net assets in the event of liquidation may be measured, at acquirer's choice, in two ways:

- at fair value on the date of acquisition;
- the share of the identifiable assets and liabilities of the acquired company revalued at fair value.

The option may be exercised at each 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 recognized separately from the business combination. 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.).

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 difference 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 consolidated and in the heading Investments in equity-accounted entities when the acquired company is consolidated using the equity method of accounting. 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 at the end of the reporting period.

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.

Goodwill 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 test, 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 Crédit Agricole CIB in an entity that is already exclusively controlled, the difference between the acquisition cost and the share of net assets acquired is recognised under the item Consolidated reserves, Group share. In the event of a decrease in the percentage of interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the share of net assets sold is also recognised directly under Consolidated reserves, Group share. The expenses arising from these transactions are recognised in equity.

Crédit Agricole CIB Group has granted shareholders of certain fully consolidated subsidiaries an undertaking to acquire their holdings in these subsidiaries, at a price to be determined according to a pre-defined formula which takes account of future developments in their business. These undertakings are in substance put options granted to the minority shareholders, which in accordance with the provisions of IAS 32, means that the minority interests are treated as a liability rather than as shareholders' equity.

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.

NOTE 2 : SIGNIFICANT EVENTS FOR THE FINANCIAL YEAR

The scope of consolidation and its changes at 31 December 2014 are shown in detail in Note 12 « Scope of consolidation at 31 December 2014 ».

Sale of Newedge

The sale of 50% of Newedge to Société Générale was completed on 6th May 2014.

The loss resulting from the fair value measurement of the assets held for sale was recorded in 2013 financial year for an amount of -€162 million.

In 2014, the completion of the sale generated no significant impact on Crédit Agricole CIB's financial statements.

Comprehensive Assessment: Asset Quality Review and stress tests of European banks by the European Central Bank

As part of the implementation of the European Single Supervisory Mechanism (SSM), Crédit Agricole Group was involved in the asset quality review exercises (AQR) and forward-looking stress tests of the 130 largest European banks. These exercises, carried out by the European Central Bank (ECB), were based on the financial statements at 31 December 2013.

The ECB's conclusions were published on 26 October 2014. The assessment was performed under the current EU Capital Requirements Regulation and Directive (CRR/CRD IV). It was aimed at strengthening banks' balance sheets, enhancing transparency and building confidence. The review provided the ECB with substantial information on the banks that fall under its direct supervision and furthers its efforts to create a level playing field for supervision.

The results of the stress tests and asset quality review for Crédit Agricole S.A. group are available on the websites of the ACPR (https://acpr.banque-france.fr/international/les-grands-enjeux/stress-tests.html) and ECB (http://www.ecb.europa.eu/ssm/assessment/html/index.en.html).

For Crédit Agricole Group, the asset quality review covered all significant portfolios both in France and abroad, and confirmed the robustness of its financial structure. The stress tests found that Crédit Agricole Group is able to absorb severe stress without additional capital req uirements; the capital surplus compared with the threshold defined by the ECB puts it in the top tier of eurozone banks.

The asset quality review performed by the ECB was basically a regulatory exercise. However, the Group has taken the appropriate decisions with regard to the potential impact on the financial statements, in accordance with current accounting standards. The impacts are not material in terms of amount and presentation of Crédit Agricole S.A.'s and Crédit Agricole CIB 's consolidated financial statements.

NOTE 3: FINANCIAL MANAGEMENT, RISK EXPOSURE AND HEDGING POLICY

The risk exposures description of Crédit Agricole CIB and the measures implemented to manage and mitigate the risks are described in the "Risk factors and Pillar 3" chapter, "Risk factors" section as allowed by IFRS7.

3.1 Credit Risk

Maximum exposure to credit risk

An entity's maximum exposure to credit risk is the gross carrying amount, net of any offset amount and any recognised loss of value.

€ million	31.12.2014	31.12.2013 restated
Financial assets at fair value through profit and loss (excluding variable-income securities)	351,008	306,516
Derivative hedging instruments	2,351	1,396
Available-for-sale assets (excluding variable-income securities)	24,363	26,797
Loans, receivables and security deposit due from institutions	62,831	64,031
Loans, receivables and security deposit due from customers	125,512	110,601
Exposure to on-balance-sheet commitments (net of impairment)	**566,065**	**509,341**
Financing commitments given	98,879	103,279
Financial guarantee commitments given	40,415	46,850
Reserves - Financing commitments	(6)	(16)
Exposure to off-balance sheet commitments (net of reserves)	**139,288**	**150,113**
Maximum exposure to credit risk	**705,353**	**659,454**

Guarantees and other credit enhancements amount to :

€ million	31.12.2014	31.12.2013 restated
Due from banks	1,904	1,826
Loans and advances to customers	62,030	56 641
Financing commitments given	9,782	8,664
Financial guarantee commitments given	2,051	3,203
Total	**75,767**	**70,334**

An analysis of risk by type of concentration provides information on diversification of risk exposure.

Breakdown of loan activity by customer type

■ Loans and receivables due from credit institutions and due from customers by customer type

€ million	31.12.2014				
	Gross out-standing	o/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
General administration	3,436	15	(15)	(32)	3,389
Credit institutions	42,332	494	(426)		41,906
Central banks	3,461				3,461
Large corporates	113,311	3,148	(1,766)	(1,399)	110,146
Retail customers	6,503	494	(47)		6,456
Total - Loans and receivables due from credit institutions and due from customers [1]	**169,043**	**4,151**	**(2,254)**	**(1,431)**	**165,358**

[1] Of which € 4,837 million in restructured loans in accordance with the new definition (see the section on restructured loans in Note 1.3 "Accounting policies and principles 2014") and €8 million of loans < 90 days past due.

€ million	31.12.2013 restated				
	Gross out-standing	o/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
General administration [2]	17,050	501	(323)	(254)	16,473
Credit institutions	36,691	646	(404)		36,287
Central banks	3,295				3,295
Large corporates	90,569	2,733	(1,388)	(1,098)	88,083
Retail customers	5,463	611	(44)		5,419
Total - Loans and receivables due from credit institutions and due from customers [1]	**153,068**	**4,491**	**(2,159)**	**(1,352)**	**149,557**

[1] Restructured performing loans amounted to € 889 million (see section on restructured loans in Note 1.3 « Accounting policies and principles 2013") and €200 million of loans < 90 days past due.

[2] This line includes the amounts presented on the « Institutions other than credit institutions » and « Central governments » lines in the Notes published at 31 December 2013.

■ Commitments given to customers by customer type

€ million	31.12.2014	31.12.2013 restated
Financing commitments given to customers		
General administration [1]	941	18,995
Large corporates	84,748	66,128
Retail customers	1,196	1,449
Total Loan commitments	**86,885**	**86,572**
Guarantee commitments given to customers		
General administration [1]	121	7,143
Large corporates	35,010	30,753
Retail customers	771	596
Total Guarantee commitments	**35,902**	**38,492**

[1] This line includes the amounts presented on the « Institutions other than credit institutions » and « Central governments » lines in the Notes published at 31 December 2013.

■ Due to customers by customer type

€ million	31.12.2014	31.12.2013 restated
General administration [1]	6,499	36,054
Large corporates	74,674	55,900
Retail customers	15,619	15,387
Total Amounts due to customers	**96,792**	**107,341**

[1] This line includes the amounts presented on the « Institutions other than credit institutions » and « Central governments » lines in the Notes published at 31 December 2013.

Breakdown of loan activity by geographical area

■ Loans and receivables due from credit institutions and due from customers by geographical area

€ million	31.12.2014				
	Gross out-standing	o/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (including overseas departments and territories)	37,422	537	(361)	(270)	36,791
Other EU countries	31,550	1,736	(640)	(403)	30,507
Other European countries	12,172	139	(45)	(297)	11,830
North America	23,876	173	(61)	(106)	23,709
Central and South America	13,783	653	(588)	(159)	13,036
Africa and Middle-East	6,795	604	(480)	(114)	6,201
Asia and Pacific (excluding Japan)	25,064	309	(79)	(78)	24,907
Japan	18,381	-	-	(4)	18,377
Total-Due from banks ands loans and advances to customers [1]	**169,043**	**4,151**	**(2,254)**	**(1,431)**	**165,358**

[1] Of which € 4,837 million in restructured loans in accordance with the new definition (see the section on restructured loans in Note 1.3 "Accounting policies and principles 2014") and €8 million of loans < 90 days past due.

€ million	31.12.2013 restated				
	Gross outstanding	o/w gross loans and receivables individually impaired	Individual impairment	Collective impairment	Total
France (including overseas departments and territories)	32,824	477	(321)	(348)	32,155
Other EU countries	32,149	1,883	(557)	(476)	31,116
Other European countries	13,275	215	(89)	(56)	13,130
North America	14,749	303	(156)	(83)	14,510
Central and South America	11,949	588	(522)	(35)	11,392
Africa and Middle-East	7,871	724	(423)	(121)	7,327
Asia and Pacific (excluding Japan)	23,965	216	(33)	(200)	23,732
Japan	16,286	85	(58)	(33)	16,195
Total-Due from banks ands loans and advances to customers [1]	**153,068**	**4,491**	**(2,159)**	**(1,352)**	**149,557**

[1] Restructured performing loans amounted to € 889 million (see section on restructured loans in Note 1.3 « Accounting policies and principles 2013") and €200 million of loans < 90 days past due.

■ Commitments given to customers by geographical area

€ million	31.12.2014	31.12.2013 restated
Financing commitments given to customers		
France (including overseas departments and territories)	21,927	22,322
Other EU countries	25,605	30,495
Other European countries	3,181	3,608
North America	22,524	18,205
Central and South America	5,624	3,551
Africa and Middle-East	1,444	1,418
Asia and Pacific (excluding Japan)	5,543	6,337
Japan	1,037	636
Total Loan commitments	**86,885**	**86,572**
Guarantee commitments given to customers		
France (including overseas departments and territories)	12,913	11,778
Other EU countries	9,075	9,451
Other European countries	2,968	1,852
North America	4,869	9,428
Central and South America	741	636
Africa and Middle-East	1,100	792
Asia and Pacific (excluding Japan)	2,745	3,346
Japan	1,491	1,209
Total Guarantee commitments	**35,902**	**38,492**

■ Due to customers by geographical area

€ million	31.12.2014	31.12.2013 restated
France (including overseas departments and territories)	20,062	18,926
Other EU countries	30,646	35,158
Other European countries	8,263	8,180
North America	12,630	20,242
Central and South America	4,532	4,187
Africa and Middle-East	8,593	9,041
Asia and Pacific (excluding Japan)	5,993	6,435
Japan	4,759	5,172
Supranational organisations	1,314	
Total Amount due to customers	**96,792**	**107,341**

3.2 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 the 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 rate;
- prices: price risk is the risk of a change in the price and volatility of equity 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 market values of derivative instruments is shown by remaining contractual maturity.

■ Hedging derivatives instruments – Fair value of assets

€ million	31.12.2014							31.12.2013 restated
	Listed markets			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Interest rate instruments				**1,414**	**119**	**41**	**1,574**	**1,224**
Futures								
Forward rate agreements								
Interest rate swaps				1,414	119	41	1,574	1,224
Interest rate options								
Caps-floors-collars								
Other options								
Currency and gold				**59**	**14**	**10**	**83**	**87**
Currency futures				57	14	10	81	86
Currency options				2			2	1
Other				**47**			**47**	**55**
Equity and index derivatives				47			47	55
Precious metal derivatives								
Commodity derivatives								
Credit derivatives and other								
Sub-total				**1,520**	**133**	**51**	**1,704**	**1,366**
Forward currency transactions				647			647	30
Total Fair value of hedging derivative instruments - Assets				**2,167**	**133**	**51**	**2,351**	**1,396**

■ Hedging derivatives instruments – Fair value of liabilities

€ million	31.12.2014							31.12.2013 restated
	Listed markets			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Interest rate instruments				**773**	**83**	**75**	**931**	**593**
Futures								
Forward rate agreements								
Interest rate swaps				772	82	74	928	588
Interest rate options								
Caps-floors-collars								
Other options				1	1	1	3	5
Currency and gold				**55**	**10**		**65**	**125**
Currency futures				53	10		63	124
Currency options				2			2	1
Other				**5**			**5**	**6**
Equity and index derivatives				5			5	6
Precious metal derivatives								
Commodity derivatives								
Credit derivatives and other								
Sub-total				**833**	**93**	**75**	**1,001**	**724**
Forward currency transactions				85			85	63
Total Fair value of hedging derivative instruments - Liabilities				**918**	**93**	**75**	**1,086**	**787**

■ Derivatives instruments held for trading – Fair value of assets

€ million	31.12.2014							31.12.2013 restated
	Listed markets			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Interest rate instruments	**7**	**306**	**1,173**	**13,392**	**46,224**	**117,510**	**178,612**	**145,135**
Futures	7	304	1,173				1,484	1
Forward rate agreements				463	105		568	387
Interest rate swaps				11,992	37,827	82,524	132,343	108,532
Interest rate options				181	2,867	31,230	34,278	25,105
Caps-floors-collars				756	5,425	3,756	9,937	10,994
Other options		2					2	116
Currency and gold				**6,680**	**3,636**	**2,953**	**13,269**	**9,371**
Currency futures				4,635	1,480	1,196	7,311	4,548
Currency options				2,045	2,156	1,757	5,958	4,823
Other	**63**	**153**	**9**	**2,083**	**5,763**	**255**	**8,326**	**10,195**
Equity and index derivatives	63	153	9	1,227	2,921	119	4,492	4,460
Precious metal derivatives				2	1		3	13
Commodity derivatives								1
Credit derivatives and other				854	2,841	136	3,831	5,721
Sub-total	**70**	**459**	**1,182**	**22,155**	**55,623**	**120,718**	**200,207**	**164,701**
Forward currency transactions				11,934	3,350	217	15,501	8,095
Total Fair value of derivative instruments held for trading - Assets	**70**	**459**	**1,182**	**34,089**	**58,973**	**120,935**	**215,708**	**172,796**

■ Derivatives instruments held for trading – Fair value of liabilities

€ million	31.12.2014							31.12.2013 restated
	Listed markets			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Interest rate instruments	**64**	**285**	**798**	**14,181**	**44,412**	**122,381**	**182,121**	**145,463**
Futures	64	285	798				1,147	
Forward rate agreements				440	103		543	380
Interest rate swaps				12,928	34,450	84,949	132,327	104,201
Interest rate options				345	3,587	32,523	36,455	27,047
Caps-floors-collars				468	6,272	4,909	11,649	13,834
Other options								1
Currency and gold	**9**			**4,468**	**3,697**	**2,805**	**10,979**	**9,188**
Currency futures				2,907	1,416	1,367	5,690	3,893
Currency options	9			1,561	2,281	1,438	5,289	5,295
Other	**44**	**124**	**6**	**3,630**	**5,080**	**180**	**9,064**	**10,615**
Equity and index derivatives	44	124	6	2,409	2,042	92	4,717	4,294
Precious metal derivatives				1			1	14
Commodity derivatives								
Credit derivatives and other				1,220	3,038	88	4,346	6,307
Sub-total	**117**	**409**	**804**	**22,279**	**53,189**	**125,366**	**202,164**	**165,266**
Forward currency transactions				12,973	1,264	204	14,441	8,257
Total Fair value of derivative instruments held for trading - Liabilities	**117**	**409**	**804**	**35,252**	**54,453**	**125,570**	**216,605**	**173,523**

Derivative instruments: total commitments

€ million	31.12.2014	31.12.2013 restated
	Total notional amount outstanding	Total notional amount outstanding
Interest rate instruments	**12,505,959**	**13,730,754**
Futures	7,164,071	1,951,696
FRAs	70,964	96,947
Interest rate swaps	3,261,722	9,428,780
Interest rate options	1,154,834	1,303,452
Caps-floors-collars	808,639	949,879
Other options	45,729	-
Currency and gold	**3,170,484**	**2,463,685**
Currency futures	2,607,667	1,991,569
Currency options	562,817	472,116
Other instruments	**409,264**	**716,702**
Equity and index derivatives	27,589	35,653
Precious metal derivatives	222	606
Commodity derivatives	-	-
Credit derivatives ans others	381,453	680 443
Subtotal	**16,085,707**	**16,911,141**
Forward currency transactions	352,272	251,890
Total Notional amounts	**16,437,979**	**17,163,031**

Foreign exchange risk

■ Analysis of the consolidated balance sheet by currency

€ million	31.12.2014		31.12.2013 restated	
	Assets	Liabilities	Assets	Liabilities
EUR	355,353	377,583	325,544	333,103
Other European Union currencies	21,306	24,903	26,699	21,896
USD	202,339	196,048	184,810	186,444
JPY	32,885	20,677	30,121	22,279
Other currencies	32,214	24,886	22,189	25,641
Total	**644,097**	**644,097**	**589,363**	**589,363**

Breakdown of bonds and subordinated debt by currency

€ million	31.12.2014			31.12.2013 restated		
	Bonds	Fixed-term subordinated debt	Perpetual subordinated debt	Bonds	Fixed-term subordinated debt	Perpetual subordinated debt
EUR	146	550	630	2	546	635
USD			3,387			3,981
Total	**146**	**550**	**4,017**	**2**	**546**	**4,616**

3.3 Liquidity and financing risk

Loans and receivables due from credit institutions and due from customers by residual maturity

€ million	31.12.2014				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Loans and receivables due from credit institutions	35,842	3,576	5,733	642	45,793
Loans and receivables due from customers (including lease finance)	42,450	17,330	42,692	20,778	123,250
Total	**78,292**	**20,906**	**48,425**	**21,420**	**169,043**
Impairment					(3,685)
Total Loans and receivables due from credit institutions and from customers					**165,358**

€ million	31.12.2013 restated				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Loans and receivables due from credit institutions	28,853	4,416	5,903	815	39,987
Loans and receivables due from customers (including lease finance)	42,072	12,569	39,068	19,372	113,081
Total	**70,925**	**16,985**	**44,971**	**20,187**	**153,068**
Impairment					(3,511)
Total Loans and receivables due from credit institutions and from customers					**149,557**

Due to credit institutions and customers by residual maturity

€ million	31.12.2014					
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Undefined	Total
Due to credit institutions	48,321	4,223	16,461	2,603		71,608
Due to customers	86,843	8,190	1,364	395		96,792
Total amount due to credit institutions and customer	**135,164**	**12,413**	**17,825**	**2,998**		**168,400**

€ million	31.12.2013 restated					
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Undefined	Total
Due to credit institutions	39,335	3,609	11,845	3,241	4	58,034
Due to customers	98,763	6,073	1,828	677		107,341
Total amount due to credit institutions and customer	**138,098**	**9,682**	**13,673**	**3,918**	**4**	**165,375**

Debt securities and subordinated debt

€ million	31.12.2014					
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Undefined	Total
Interest-bearing notes						
Negociables debt securities:	22,111	16,889	11,515	59		50,574
Bonds	1		145			146
Other debt securities						
Total Debt securities	**22,112**	**16,889**	**11,660**	**59**		**50,720**
Fixed-term subordinated debt			550			550
Perpetual subordinated debt				4,017		4,017
Total Subordinated debt			**550**	**4,017**		**4,567**

€ million	31.12.2013 restated					
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Undefined	Total
Interest-bearing notes	-	1				1
Negociables debt securities:	24,542	7,039	9,507	35		41,123
Bonds			2			2
Other debt securities						
Total Debt securities	**24,542**	**7,040**	**9,509**	**35**		**41,126**
Fixed-term subordinated debt			546			546
Perpetual subordinated debt	4			4,612		4,616
Total Subordinated debt	**4**		**546**	**4,612**		**5,162**

Financial guarantees at risk given by expected maturity

The amounts presented correspond to the call of financial guarantees at risk, i.e. guarantees that have been impaired or are on a watch-list.

€ million	31.12.2014				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Financial guarantees given	**3**	**39**			**42**

€ million	31.12.2013 restated				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Financial guarantees given	**15**	**28**			**43**

The remaining contractual maturities of derivative instruments are shown in Note 3.2 « Market Risk ».

3.4 Hedging derivatives instruments

(See «Risk factors and Pillar 3», chapter «Risk management Asset and liability management – Structural financial risks»)

Derivative hedging instruments by type of risk

€ million	31.12.2014			31.12.2013 restated		
	Positive market value	Negative market value	Notional Amount	Positive market value	Negative market value	Notional Amount
Fair Value Hedges	**1,311**	**977**	**57,277**	**638**	**653**	**26,585**
Interest rate	629	916	18,839	557	540	20,252
Equity Instruments						
Foreign exchange	682	61	38,438	81	113	6,333
Credit						
Commodities						
Other						
Cash Flow Hedges	**1,016**	**64**	**26,819**	**737**	**118**	**23,956**
Interest rate	945	15	11,990	667	53	10,066
Equity Instruments	47	5	175	55	6	196
Foreign exchange	24	44	14,654	15	59	13,694
Credit						
Commodities						
Other						
Hedging of net investments in a foreign operations	**24**	**45**	**5,955**	**21**	**16**	**3,246**
TOTAL DERIVATIVE HEDGING INSTRUMENTS	**2,351**	**1,086**	**90,051**	**1,396**	**787**	**53,787**

NOTE 4 : NOTES TO THE INCOME STATEMENT AND COMPREHENSIVE INCOME

4.1 Interests income and expenses

€ million	31.12.2014	31.12.2013 restated
Interbank transactions	529	527
Customer transactions	3,415	3,691
Accrued interest receivable on available-for-sale financial assets	386	385
Accrued interest receivable on hedging instruments	302	196
Finance leases		
Interest income [1]	**4,632**	**4,799**
Interbank transactions	(653)	(709)
Customer transactions	(548)	(602)
Debt securities in issue	(1,018)	(940)
Subordinated debt	(164)	(239)
Accrued interest payable on hedging instruments	(327)	(254)
Other interest expenses	3	0
Interest expenses	**(2,707)**	**(2,744)**
Net interest margin	**1,925**	**2,055**

[1] Of which €72 million on individually impaired receivables at 31 December 2014 compared to €113 million at 31 December 2013.

4.2 Net fees and commissions

€ million	31.12.2014			31.12.2013 restated		
	Income	Expenses	Net	Income	Expenses	Net
Interbank transactions	160	(149)	11	52	(30)	22
Customer transactions	568	(95)	473	390	(89)	301
Securities transactions (including brokerage)	53	(86)	(33)	181	(143)	38
Foreign exchange transactions	8	(13)	(5)	7	(11)	(4)
Derivative instruments and other off-balance sheet transactions (including brokerage)	260	(134)	126	236	(122)	114
Payment instruments and other banking and financial services	352	(130)	222	354	(106)	248
Mutual funds management, fiduciary and similar operations	271	(24)	247	278	(23)	255
Net fees and commissions	**1,672**	**(631)**	**1,041**	**1,498**	**(524)**	**974**

4.3 Net gains (losses) on financial instruments at fair value through profit or loss

€ million	31.12.2014	31.12.2013 restated
Dividends received	182	150
Unrealised or realised gains(losses) on assets/liabilities at fair value through profit and loss	1,587	585
Unrealised or realised gains or losses on financial assets/liabilities designated as at fair value through profit and loss	(530)	(347)
Net gains (losses) on foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	(132)	336
Gains (losses) from hedge accounting	0	(2)
Net gains (losses) on financial instruments at fair value through profit and loss	**1,107**	**722**

Impacts related to the issuer spread generated on Net Banking Income a loss of -€47 million at 31 December 2014 compared to a loss of -€529 million at 31 December 2013.

First time application of the Funding Valuation Adjustment (FVA) at 30 June 2014 was reflected in the recognition of a loss of -€167 million.

Analysis of net gains (losses) from hedge accounting

Analysis of net gains (losses) from hedge accounting:

€ million	31.12.2014		
	Gains	Losses	Net
Fair value hedges			
Changes in fair value of hedged items attributable to hedged risks	244	(290)	(46)
Changes in fair value of hedging derivatives (including termination of hedges)	290	(244)	46
Cash flow hedges			
Changes in fair value of hedging derivatives – ineffective portion			
Hedges of net investments in foreign operations			
Changes in fair value of hedging derivatives – ineffective portion			
Fair value hedges of the interest rate exposure of a portfolio of financial instruments			
Changes in fair value of hedged items	11	(10)	1
Changes in fair value of hedging derivatives	10	(11)	(1)
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments			
Changes in fair value of hedging instrument – ineffective portion			
Total gains/(losses) from hedge accounting	**555**	**(555)**	**0**

€ million	31.12.2013 restated		
	Gains	Losses	Net
Fair value hedges			
Changes in fair value of hedged items attributable to hedged risks	437	(319)	118
Changes in fair value of hedging derivatives (including termination of hedges)	316	(436)	(120)
Cash flow hedges			
Changes in fair value of hedging derivatives – ineffective portion			
Hedges of net investments in foreign operations			
Changes in fair value of hedging derivatives – ineffective portion			
Fair value hedges of the interest rate exposure of a portfolio of financial instruments			
Changes in fair value of hedged items	61		61
Changes in fair value of hedging derivatives		(61)	(61)
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments			
Changes in fair value of hedging instrument – ineffective portion			
Total gains/(losses) from hedge accounting	**814**	**(816)**	**(2)**

4.4 Net gains (losses) on available-for-sale financial assets

€ million	31.12.2014	31.12.2013 restated
Dividends received	34	43
Realised gains or losses on available-for-sale financial assets [1]	132	44
Permanent impairment losses on equity investments	(11)	(72)
Gains (losses) on disposals of loans and receivables	(11)	
Net gains/(losses) on available-for-sale financial assets	**144**	**15**

[1] Excluding realised gains or losses on permanently impaired fixed income securities recognised as available-for-sale financial assets mentionned in Note 4.8 « Cost of risk ».

4.5 Net income (expenses) on other activities

€ million	31.12.2014	31.12.2013 restated
Other net income from insurance activities		4
Change in insurance technical reserves		
Other net income (expense)	135	(15)
Net income (expense) related to other activities	**135**	**(11)**

4.6 Operating expenses

€ million	31.12.2014	31.12.2013 restated
Staff costs	(1,750)	(1,735)
Taxes other than income or payroll-related	(113)	(96)
External services and other general operating expenses	(827)	(858)
Operating expenses	**(2,690)**	**(2,689)**

These amounts include fees paid to Crédit Agricole CIB auditors.

Fees paid to Statutory Auditors :

The breakdown of the fees recognized in 2014 by audit firm and by type of engagement is provided below:

in thousands of euros excluding taxes	31.12.2014						31.12.2013 restated
	Ernst & Young	Pricewater houseCoopers	KPMG	Deloitte	Other	Total	Total
Idependent audit, certification, review of separate and consolidated financial statements	4,175	5,212	123	61	252	9,823	9,924
Ancillary assignments and services directly linked to the mission of independent audit	3,338	1,792	116	7	3	5,256	2,616
Total statutory auditors' fees	**7,513**	**7,004**	**239**	**68**	**255**	**15,079**	**12,540**

4.7 Depreciation, amortisation and impairment of property, plant & equipment and intangible assets

€ million	31.12.2014	31.12.2013 restated
Depreciation charges and amortisation	**(88)**	**(94)**
- Property, plant and equipment	(52)	(55)
- Intangible assets	(36)	(39)
Impairment losses	**(2)**	**3**
- Property, plant and equipment	(2)	3
- Intangible assets		
Depreciation, amortisation and impairment of property, plant & equipment and assets	**(90)**	**(91)**

4.8 Cost of risk

€ million	31.12.2014	31.12.2013 restated
Charges to provisions and impairment losses	**(501)**	**(556)**
Fixed income available-for-sale financial assets		(13)
Loans and advances	(340)	(383)
Other assets	(11)	(10)
Financing commitments	(1)	(3)
Risks and expenses	(149)	(147)
Reversals of provisions and impairment losses	**221**	**346**
Fixed income available-for-sale financial assets	36	18
Loans and advances	136	290
Other assets	2	
Financing commitments	11	4
Risks and expenses	36	34
Net charges to reservals of impairment losses and provisions	**(280)**	**(210)**
Realised gains or losses on impaired fixed income available-for-sale financial assets	(34)	(13)
Bad debts written off-not impaired	(49)	(242)
Recoveries on bad debts written off	85	6
Other losses	(33)	(57)
Cost of risk	**(311)**	**(516)**

4.9 Net gains (losses) on other assets

€ million	31.12.2014	31.12.2013 restated
Property, plant & equipment and intangible assets used in operations	**45**	**1**
Gains on disposals	45	2
Losses on disposals		(1)
Consolidated equity investments	**8**	
Gains on disposals	13	6
Losses on disposals	(5)	(6)
Net gains (losses) on other assets	**53**	**1**

4.10 Income tax charge

Income tax charge

€ million	31.12.2014	31.12.2013 Restated
Current tax income (charge)	(95)	(286)
Deferred tax income (charge)	(301)	133
Tax income (expense) for the period	**(396)**	**(153)**

Reconciliation of theoretical tax rate and effective tax rate

■ At 31.12.2014

€ million	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	**1,315**	**38.00%**	**(500)**
Impact of permanent differences		-6.01%	79
Impact of different tax rates on foreign subsidiaries		-6.16%	81
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		1.44%	(19)
Impact of reduced tax rate		1.98%	(26)
Impact of other items		0.84%	(11)
Effective tax rate and tax charge		**30.09%**	**(396)**

The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution and the exceptional contribution to corporate income tax) to taxable profits in France for the year ended 31 December 2014.

■ At 31.12.2013 (restated)

€ million	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	**460**	**38.00%**	**(175)**
Impact of permanent differences		5.90%	(27)
Impact of different tax rates on foreign subsidiaries		-16.95%	78
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.43%	(2)
Impact of reduced tax rate		6.31%	(29)
Impact of other items		-0.43%	2
Effective tax rate and tax charge		**33.26%**	**(153)**

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 2013.

4.11 Change in other comprehensive income

Below is presented the detail of gain and losses on the period :

Détail of other comprehensive income

€ million	31.12.2014	31.12.2013 restated
Other comprehensive income on items that may be reclassified to profit or loss		
Gains and losses on translation adjustments	279	(88)
Revaluation adjustment on the period		
Reclassified to profit or loss		
Other reclassifications	279	(88)
Gains and losses on available-for-sale financial assets	39	10
Revaluation adjustment on the period	39	(189)
Reclassified to profit or loss	(1)	206
Other reclassifications	1	(7)
Gains and losses on hedging derivative instruments	336	(416)
Revaluation adjustment on the period	333	(416)
Reclassified to profit or loss		
Other reclassifications	3	
Gains and losses on non-current assets held for sale	16	34
Revaluation adjustment on the period		3
Reclassified to profit or loss		(5)
Other reclassifications	16	36
Other comprehensive income on items (pre-tax) that may be reclassified to profit or loss on equity-accounted entities	229	(81)
Income tax related on items that may be reclassified to profit or loss excluding equity-accounted entities	(121)	126
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities		
Other comprehensive income on items that may be reclassified to profit or loss net of income tax	**778**	**(415)**
Other comprehensive income on items that will not be reclassified to profit or loss		
Change in actuarial gains and losses on post-employment benefits	(167)	27
Gains and losses on non-current assets held for sale		
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities		
Income tax related to items that will not be reclassified to profit or loss excluding equity accounted entities	53	(11)
Income tax related to items that will not be reclassified to profit or loss on equity accounted entities		
Other comprehensive income on items that will not be reclassified to profit or loss net of income tax	**(114)**	**16**
Net other comprehensive income	**664**	**(399)**
of which Group share	661	(441)
of which non-controlling interests	3	42

Detail of tax effects relating to other comprehensive income

€ million	31.12.2014				Change				31.12.2013 restated			
	Gross	Income tax	Net of income tax	Net o/w Group share	Gross	Income tax	Net of income tax	Net o/w Group share	Gross	Income tax	Net of income tax	Net o/w Group share
Other comprehensive income on items that may be reclassified to profit or loss												
Gains and losses on translation adjustments	303		303	303	279		279	278	24		24	25
Gains and losses on available-for-sale financial assets	287	(52)	235	232	39	(12)	27	27	248	(40)	208	205
Gains and losses on hedging derivative instruments	811	(275)	536	531	336	(112)	224	222	475	(163)	312	309
Gains and losses on non-current assets held for sale					16	3	19	19	(16)	(3)	(19)	(19)
Other comprehensive income on items that may be reclassified to profit or loss, excluding equity-accounted entities	1,401	(327)	1,074	1,066	670	(121)	549	546	731	(206)	525	520
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	192		192	192	229		229	229	(37)		(37)	(37)
Other comprehensive income on items that may be reclassified to profit or loss	**1,593**	**(327)**	**1,266**	**1,258**	**899**	**(121)**	**778**	**775**	**694**	**(206)**	**488**	**483**
Other comprehensive income on items that will not be reclassified to profit or loss												
Actuarial gains and losses on post-employment benefits	(378)	116	(262)	(263)	(167)	53	(114)	(114)	(211)	63	(148)	(149)
Gains and losses on non-current assets held for sale												
Other comprehensive income on items that will not be reclassified to profit or loss, excluding equity-accounted entities												
Other comprehensive income on items that will not be reclassified to profit or loss on equity accounted entities												
Other comprehensive income on items that will not be reclassified to profit or loss	**(378)**	**116**	**(262)**	**(263)**	**(167)**	**53**	**(114)**	**(114)**	**(211)**	**63**	**(148)**	**(149)**
Other comprehensive income	**1,215**	**(211)**	**1,004**	**995**	**732**	**(68)**	**664**	**661**	**483**	**(143)**	**340**	**334**

€ million	31.12.2013 restated				Change				01.01.2013 restated			
	Gross	Income tax	Net of income tax	Net o/w Group share	Gross	Income tax	Net of income tax	Net o/w Group share	Gross	Income tax	Net of income tax	Net o/w Group share
Other comprehensive income on items that may be reclassified to profit or loss												
Gains and losses on translation adjustments	24		24	25	(88)		(88)	(129)	112		112	154
Gains and losses on available-for-sale financial assets	248	(40)	208	205	10	(11)	(1)	(1)	238	(29)	209	206
Gains and losses on hedging derivative instruments	475	(163)	312	309	(416)	138	(278)	(276)	891	(301)	590	585
Gains and losses on non-current assets held for sale	(16)	(3)	(19)	(19)	34	(1)	33	30	(50)	(2)	(52)	(49)
Other comprehensive income on items that may be reclassified to profit or loss, excluding equity-accounted entities	731	(206)	525	520	(460)	126	(334)	(376)	1,191	(332)	859	896
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(37)		(37)	(37)	(82)	1	(81)	(81)	45	(1)	44	44
Other comprehensive income on items that may be reclassified to profit or loss	**694**	**(206)**	**488**	**483**	**(542)**	**127**	**(415)**	**(457)**	**1,236**	**(333)**	**903**	**940**
Other comprehensive income on items that will not be reclassified to profit or loss												
Actuarial gains and losses on post-employment benefits	(211)	63	(148)	(149)	27	(11)	16	16	(238)	74	(164)	(165)
Gains and losses on non-current assets held for sale												
Other comprehensive income on items that will not be reclassified to profit or loss, excluding equity-accounted entities												
Other comprehensive income on items that will not be reclassified to profit or loss on equity accounted entities												
Other comprehensive income on items that will not be reclassified to profit or loss	(211)	63	(148)	(149)	27	(11)	16	16	(238)	74	(164)	(165)
Other comprehensive income	**483**	**(143)**	**340**	**334**	**(515)**	**116**	**(399)**	**(441)**	**998**	**(259)**	**739**	**775**

NOTE 5 : SEGMENT REPORTING

Definition of business

The naming of Crédit Agricole CIB's business lines corresponds to the Definitions applied within the Crédit Agricole S.A. Group.

Presentation of business lines

Operations are broken down into five business lines.

Financing activities include French and international commercial banking and structured finance : project finance, aircraft finance, shipping finance, acquisition finance, real estate finance and international trade.

Capital markets and investment banking covers capital market activities (interest-rate derivatives, foreign exchange, debt markets and treasury) and investment banking activities (mergers and acquisitions and equity capital markets).

Since the new organization of Crédit Agricole CIB, established in the third quarter of 2012, linked with the adjustment plan, discontinuing activities now include the correlation business, the CDO, the CLO and ABS portfolio, the equity derivatives excluding corporates and convertibles, the exotic interest rate derivatives, and the impaired portfolios of residential underlyings.

These three business lines make up nearly 100% of the Corporate and Investment banking business line of Crédit Agricole S.A..

Crédit Agricole CIB is also active in private banking through its locations in France, Belgium, Switzerland, Luxembourg, Monaco, Spain, and Brazil.

The Corporate Center business line encompasses the non-operational activities of the above business lines, and the impacts linked to the issuer spread of Crédit Agricole CIB.

5.1 Operating segment information

Transactions between operating segments are effected at arm's length.
Segment assets are determined from the accounting items of the balance sheet of each operating segment.

€ million	31.12.2014						
	Financing	Capital markets and Investment banking	Discontinuing operations	**Total Corporate and Investment Banking**	Private Banking	Corporate Center	**Total**
Net banking income	**2,277**	**1,417**	**8**	**3,702**	**697**	**(47)**	**4,352**
Operating expenses	(882)	(1,238)	(118)	(2,238)	(542)		(2,780)
Gross operating income	**1,395**	**179**	**(110)**	**1,464**	**155**	**(47)**	**1,572**
Cost of risk	(270)	(10)	27	(253)	(58)		(311)
Operating income	**1,125**	**169**	**(83)**	**1,211**	**97**	**(47)**	**1,261**
Share of net income of equity-accounted entities	177		(15)	162			162
Net gains/(losses) on other assets	(2)	5		3	50		53
Change in value of goodwill					(22)		(22)
Pre-tax income	**1,300**	**174**	**(98)**	**1,376**	**125**	**(47)**	**1,454**
Income tax charge	(332)	(31)	6	(357)	(47)	8	(396)
Net gains (losses) from discontinued or held-for-sale activities		3		3			3
Net income for the period	**968**	**146**	**(92)**	**1,022**	**78**	**(39)**	**1,061**
Non-controlling interests	1	(1)			(12)		(12)
Net Income Group Share	**969**	**145**	**(92)**	**1,022**	**66**	**(39)**	**1,049**
Segment assets of which :							
- investments in equity-accounted entities				1,959			1,959
- goodwill linked to operations for the period					(16)		(16)
Total assets				**629,281**	**14,816**		**644,097**

€ million	31.12.2013 restated						
	Financing	Capital markets and Investment banking	Discontinuing operations	**Total Corporate and Investment Banking**	Private Banking	Corporate Center	**Total**
Net banking income	**2,032**	**1,401**	**140**	**3,573**	**711**	**(529)**	**3,755**
Operating expenses	(865)	(1,194)	(174)	(2,233)	(546)	(1)	(2,780)
Gross operating income	**1,167**	**207**	**(34)**	**1,340**	**165**	**(530)**	**975**
Cost of risk	(368)	(112)	(16)	(496)	(20)		(516)
Operating income	**799**	**95**	**(50)**	**844**	**145**	**(530)**	**459**
Share of net income of equity-accounted entities	127		(3)	124			124
Net gains/(losses) on other assets	(1)			(1)	2		1
Change in value of goodwill							
Pre-tax income	**925**	**95**	**(53)**	**967**	**147**	**(530)**	**584**
Income tax charge	(269)	(44)	16	(297)	(27)	171	(153)
Net gains (losses) from discontinued or held-for-sale activities		156		156			156
Net income for the period	**656**	**207**	**(37)**	**826**	**120**	**(359)**	**587**
Non-controlling interests	(11)	(1)	1	(11)	(11)		(22)
Net Income Group Share	**645**	**206**	**(36)**	**815**	**109**	**(359)**	**565**
Segment assets of which :							
- investments in equity-accounted entities				1,573			1,573
- goodwill linked to operations for the period					(5)		(485)
Total assets				**573,727**	**15,636**		**589,363**

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.

€ million	31.12.2014			31.12.2013 restated		
	Net income Group share	**O/w revenues**	**Segment assets**	**Net income Group share**	**O/w revenues [1]**	**Segment assets**
France (including overseas departments and territories)	143	1,615	455,753	(718)	929	410,280
Other European Union countries	229	932	24,567	595	1,027	30,338
Rest of Europe	58	502	16,032	96	514	13,730
North America	298	610	84,951	295	629	80,700
Central and South America	19	82	2,910	3	40	2,229
Africa and the Middle-East	197	52	2,765	143	50	2,390
Asia-Pacific (excluding Japan)	178	477	24,511	134	448	25,114
Japan	(73)	82	32,608	17	118	24,582
Total	**1,049**	**4,352**	**644,097**	**565**	**3,755**	**589,363**

[1] According to IFRS 11, the NBI at 31 December 2014 is restated of UBAF's NBI.

NOTE 6 : NOTES TO THE BALANCE SHEET

6.1 Cash, Central banks

€ million	31.12.2014		31.12.2013 restated	
	Assets	Liabilities	Assets	Liabilities
Cash	14		22	
Central banks	47,863	2,207	56,146	2,036
Carrying amount	**47,877**	**2,207**	**56,168**	**2,036**

6.2 Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

€ million	31.12.2014	31.12.2013 restated
Financial assets held for trading	353,989	308,777
Financial assets designated at fair value through profit or loss	1,740	1,227
Carrying amount	**355,729**	**310,004**
Of which lent securities	225	-

Held-for-trading financial assets

€ million	31.12.2014	31.12.2013 restated
Equity instruments	**5,164**	**3,348**
Equity and other variable-income securities [1]	5,164	3,348
Debt securities	**43,884**	**41,667**
Treasury bills and similar securities	35,015	34,939
Bonds and other fixed-income securities [2]	8,869	6,728
Loans and advances to customers	**89,233**	**90,966**
Loans and receivables due from customers [3]	261	358
Securities bought under repurchase agreements [4]	88,972	90,608
Derivative instruments	**215,708**	**172,796**
Carrying amount	**353,989**	**308,777**

[1] Including equity mutual funds.
[2] Including monetary mutual funds
[3] Including loans being syndicated.
[4] Securities acquired under repurchase agreements include those that the entity is authorised to use as collateral.

Financial assets designated at fair value through profit or loss

€ million	31.12.2014	31.12.2013 restated
Equity instruments	**0**	**140**
Equity and other variable-income securities [1]	0	140
Debt securities	**127**	**0**
Bonds and other fixed-income securities [2]	127	0
Loans and advances to customers	**1,613**	**1,087**
Loans and receivables due from customers	1,613	1,087
Carrying amount	**1,740**	**1,227**

[1] Including equity mutual funds.
[2] Including monetary mutual funds.

Financial liabilities at fair value through profit or loss

€ million	31.12.2014	31.12.2013 restated
Financial liabilities held for trading	328,796	290,984
Financial liabilities designated at fair value through profit or loss	27,143	31,656
Carrying amount	**355,939**	**322,640**

Financial liabilities held for trading

€ million	31.12.2014	31.12.2013 restated
Securities sold short	34,876	30,247
Securities sold under repurchase agreements	77,315	87,214
Debt securities		
Derivative instruments	216,605	173,523
Carrying amount	**328,796**	**290,984**

Financial liabilities designated at fair value through profit or loss

€ million	31.12.2014		31.12.2013 restated	
	Fair value on balance sheet	Difference between carrying amount and due on maturity	Fair value on balance sheet	Difference between carrying amount and due on maturity
Deposits and subordinated liabilities				
- Other deposits				
Debt securities	27,143	(419)	31,656	(452)
Total	**27,143**	**(419)**	**31,656**	**(452)**

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

€ million	31.12.2014			31.12.2013 restated		
	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar items	11,110	56	70	14,838	18	4
Bonds and other fixed-income securities	13,253	137	38	11,959	55	18
Equities and other variable-income securities	193	92	2	379	135	7
Non-consolidated equity investments	541	122	10	574	106	36
Available-for-sale receivables						
Carrying amount of available-for-sale financial assets [1]	**25,097**	**407**	**120**	**27,750**	**314**	**65**
Income tax charge		**(87)**	**(37)**		**(49)**	**(8)**
Gains and losses on available-for-sale financial assets recognized in other comprehensive income (net of income tax)		**320**	**83**		**265**	**57**

[1] of which €81million related to impaired available-for-sale fixed-income securities;
€424 million related to impaired available-for-sale variable-income securities;
No guarantees received on impaired outstandings;
No significant item less than 90 days past-due;
€356 million in impairment of available-for-sale securities and receivables at 31 December 2014

6.5 Loans and receivables due from credit institutions and due from customers

Loans and receivables due from credit institutions

€ million	31.12.2014	31.12.2013 restated
Credit institutions		
Debt securities	**8**	**8**
Securities not traded in an active market	8	8
Loans and receivables	**45,785**	**39,979**
Loans and receivables	19,234	18,394
o/w Performing current accounts in debit	*2,312*	*2,661*
o/w Performing overnight time accounts and advances	*979*	*173*
Securities bought under repurchase agreements	26,536	21,488
Subordinated loans	0	67
Other loans and receivables	15	30
Gross amount	**45,793**	**39,987**
Impairment	(426)	(404)
Carrying amount	**45,367**	**39,583**

Loans and receivables due from customers

€ million	31.12.2014	31.12.2013 restated
Loans and receivables due from customers		
Debt securities	**11,690**	**10,683**
Securities not traded in an active market	11,690	10,683
Loans and receivables	**111,560**	**102,397**
Trade receivables	14,138	12,088
Other customer loans	91,694	84,802
Securities bought under repurchase agreements	1,291	1,002
Subordinated loans	119	130
Advances in associates current accounts	109	93
Current accounts in debit	4,209	4,282
Gross amount	**123,250**	**113,080**
Impairment	(3,259)	(3,107)
Net value of loans and receivables due from customers	**119,991**	**109,973**
Finance leases		
Property leasing		1
Gross amount		**1**
Net carrying amount of lease financing operations		**1**
Carrying amount	**119,991**	**109,974**

6.6 Transferred assets not derecognised or derecognised with on-going involvement

Transferred assets not derecognised in full at 31 December 2014

€ million	Transferred assets, not fully derecognised									
	Transferred assets					Associated liabilities				
Nature of transferred assets	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchasement agreement	o/w other	Fair value [1]	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchasement agreement	o/w other	Fair value[1]
Held for trading	**27,489**		**27,264**	**225**	**27,489**	**26,322**		**26,097**	**225**	**26,322**
Equity instruments	225			225	225	225			225	
Debt securities	27,264		27,264		27,264	26,097		26,097		0
Loans and advances										
Designated as at fair value through profit and loss										
Equity instruments										
Debt securities										
Loans and advances										
Available-for-sale	**2,362**		**2,362**		**2,362**	**2,362**		**2,362**	**0**	**2,362**
Equity instruments										
Debt securities	2,362		2,362		2,362	2,362		2,362		2,362
Loans and advances										
Loans and receivables	**444**	**217**	**227**		**444**	**388**	**217**	**171**	**0**	**388**
Debt securities	227		227		227	171		171		171
Loans and advances	217	217			217	217	217			217
Held-to-maturity										
Debt securities										
Loans and advances										
Total transferred assets	**30,295**	**217**	**29,853**	**225**	**30,295**	**29,072**	**217**	**28,630**	**225**	**29,072**

[1] In the case « when the counterparty (conterparties) to the associated liabilities has (have) recourse only to the transferred assets » (IFRS 7 42D (d)).

Transferred assets not derecognised in full at 31 December 2013

€ million Nature of transferred assets	Transferred assets, not fully derecognised									
	Transferred assets					Associated liabilities				
	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchasement agreement	o/w other	Fair value	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchasement agreement	o/w other	Fair value
Held for trading	**25,901**		**25,901**		**25,901**	**25,837**		**25,837**		**25,837**
Equity instruments										
Debt securities	25,901		25,901		25,901	25,837		25,837		25,837
Loans and advances										
Designated as at fair value through profit and loss	**0**									
Equity instruments										
Debt securities										
Loans and advances										
Available-for-sale	**2,568**		**2,568**		**2,568**	**2,511**		**2,511**		**2,511**
Equity instruments										
Debt securities	2,568		2,568		2,568	2,511		2,511		2,511
Loans and advances										
Loans and receivables	**479**	**91**	**388**		**479**	**372**	**91**	**281**		**372**
Debt securities	388		388		388	281		281		281
Loans and advances	91	91			91	91	91			91
Held-to-maturity	**0**									
Debt securities										
Loans and advances										
Total transferred assets	**28,948**	**91**	**28,857**		**28,948**	**28,720**	**91**	**28,629**		**28,720**

6.7 Impairment deducted from financial assets

€ million	31.12.2013 restated	Changes in scope	Depreciation	Reversals and utilisations	Translation adjustments	Transfers in non-current assets held for sale	Other movements	31.12.2014
Loans and receivables due from credit institutions	404		11	(28)	39			426
Loans and receivables due from customers	3,107		501	(553)	205		(1)	3,259
of which collective impairment	*1,353*			*(17)*	*95*			*1,431*
Available-for-sale assets	507		11	(178)	16			356
Other financial assets	32		11	(7)	2		1	39
Total impairment of financial assets	**4,050**		**534**	**(766)**	**262**			**4,080**

€ million	01.01.2013 restated	Changes in scope	Depreciation	Reversals and utilisations	Translation adjustments	Transfers in non-current assets held for sale	Other movements	31.12.2013 restated
Loans and receivables due from credit institutions	542		2	(120)	(20)			404
Loans and receivables due from customers	3,441	(13)	473	(668)	(118)	(6)	(2)	3,107
of which collective impairment	*1,560*			*(157)*	*(50)*			*1,353*
Available-for-sale assets	533	36,	86	(128)	(12)	(6)	(2)	507
Other financial assets	26		10		(1)	(3)		32
Total impairment of financial assets	**4,542**	**23**	**571**	**(916)**	**(151)**	**(15)**	**(4)**	**4,050**

6.8 Exposure to sovereign risk

The scope of sovereign exposures recorded covers exposures to Government, but does not include local authorities. Tax debt is excluded from these amounts.

Exposure to sovereign debt corresponds to an exposure net of impairment (carrying amount) presented both gross and net of hedging.

Banking activity

€ million	31.12.2014						
	Exposures Banking activity net of impairment				Total Banking activity before hedging	Hedging Available-for sale financial assets	Total Banking activity after hedging
	O/w banking portfolio			O/w trading book (excluding derivatives)			
	Financial assets at fair value throught profit or loss	Available-for-sale financial assets	Loans and receivables [1]				
Germany		60			60		60
Belgium		218		917	1,135		1,135
Spain		1,028	150		1,178		1,178
France		5,548	692	338	6,578	(219)	6,359
Greece							
Ireland				50	50		50
Italy			108	253	361		361
Japan		1,675	406	22	2,103		2,103
Portugal				35	35		35
United States				2,632	2,632		2,632
Total		**8,529**	**1,356**	**4,247**	**14,132**	**(219)**	**13,913**

[1] Excluding deferred tax assets

€ million	31.12.2013 restated						
	Exposures Banking activity net of impairment				Total Banking activity before hedging	Hedging Available-for sale financial assets	Total Banking activity after hedging
	O/w banking portfolio			O/w trading book (excluding derivatives)			
	Financial assets at fair value throught profit or loss	Available-for-sale financial assets	Loans and receivables [1]				
Germany				1,650	1,650		1,650
Belgium		114		304	418		418
Spain							
France		9,467	481	584	10,532	(173)	10,359
Greece							
Ireland		91			91		91
Italy			141		141		141
Japan		1,053		245	1,298		1,298
Portugal							
United States				2,994	2,994		2,994
Total		**10,725**	**622**	**5,777**	**17,124**	**(173)**	**16,951**

[1] Excluding deferred tax assets

For banking activity, the information is presented according to the methodology which was chosen to perform the stress tests at the request of the EBA (European Banking Authority), i.e. a net exposure of impairment and hedging of the counterparty risk. The policy of European solidarity has led to define a support mechanism to Greece, Portugal and Ireland.

In the absence of default considering the plans put in place, none of these securities have been impaired.

Sovereign debts Banking activities – Changes

Changes in exposure before hedging *€ million*	Outstanding at 31 December 2013 restated	Change in fair value	Recycling of available-for-sale reserves	Accrued interest	Maturing debts	Disposals net of reversals of provisions	Acquisitions	Outstanding at 31 December 2014
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
Held-to-maturity financial assets								
Spain				13			1,015	1,028
France	9,467	10		(12)		(3,917)		5,548
Greece								
Ireland	91			(1)		(90)		
Italy								
Portugal								
Available-for-sale financial assets								
Spain							150	150
France	481				(69)		280	692
Greece								
Ireland								
Italy	141				(33)			108
Portugal								
Loans and receivables								
Spain								
France	584					(246)		338
Greece								
Ireland							50	50
Italy							253	253
Portugal							35	35
Book portfolio (excluding derivatives)								
Total Banking Activity	**10,764**	**10**		**0**	**(102)**	**(4,253)**	**1,783**	**8,202**

Changes in exposure before hedging *€ million*	Outstanding at 1st January 2013 restated	Change in fair value	Recycling of available-for-sale reserves	Accrued interest	Maturing debts	Disposals net of reversals of provisions	Acquisitions	Outstanding at 31 December 2013 restated
Spain								
France								
Greece								
Ireland								
Italy								
Portugal								
Held-to-maturity financial assets								
Spain								
France	12,901	36		6		(3,476)		9,467
Greece								
Ireland	96	(2)		(3)				91
Italy								
Portugal	146	(4)		(2)		(140)		
Available-for-sale financial assets	**13,143**	**30**		**1**		**(3,616)**		**9,558**
Spain								
France	101				(37)		417	481
Greece								
Ireland								
Italy	169				(28)			141
Portugal								
Loans and receivables	**270**				**(65)**		**417**	**622**
Spain	61					(61)		
France	876					(292)		584
Greece								
Ireland								
Italy	47					(47)		
Portugal	27					(27)		
Book portfolio (excluding derivatives)	**1,011**					**(427)**		**584**
Total Banking Activity	**14,424**	**30**		**1**	**(65)**	**(4,043)**	**417**	**10,764**

6.9 Due to credit institutions and to customers

Due to credit institutions

€ million	31.12.2014	31.12.2013 restated
Accounts and deposits	48,771	39,076
of which current accounts in credit	*3,379*	*3,367*
of which overnight accounts and deposits	*4,434*	*4,913*
Securities sold under repurchase agreements	22,837	18,958
Carrying amount	**71,608**	**58,034**

Due to customers

€ million	31.12.2014	31.12.2013 restated
Current accounts in credit	32,781	41,583
Special savings accounts	127	150
Other amounts due to customers	62,499	63,789
Securities sold under repurchase agreements	1,385	1,819
Carrying amount	**96,792**	**107,341**

6.10 Held-to-maturity financial assets

Crédit Agricole CIB does not have any held-to-maturity financial assets portfolios

6.11 Debt securities and subordinated debt

€ million	31.12.2014	31.12.2013 restated
Debt securities		
Interest bearing notes		1
Negotiable debt securities	50,574	41,123
Bonds	146	2
Other debt securities		
Carrying amount	**50,720**	**41,126**
Subordinated debt		
Dated subordinated debt	545	546
Undated subordinated debt	4,017	4,616
Carrying amount	**4,567**	**5,162**

6.12 Information on the offsetting of financial assets and financial liabilities

Offsetting – financial assets

€ million Type of financial instrument	31.12.2014 Offsetting effects on financial assets covered by master netting agreement and similar agreements					
	Gross amounts of financial assets before offsetting	Gross amounts of financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
				Gross amounts of financial liabilities covered by master netting agreement	Amounts of other financial instruments received as collateral, including security deposit	
Derivatives	333,699	143,067	190,632	169,801	11,329	9,502
Reverse repurchase agreements	103,388	18,728	84,660	67,569	17,065	26
Total financial assets subject to offsetting	**437,087**	**161,795**	**275,292**	**237,370**	**28,394**	**9,528**

The amount of derivatives subject to offsetting represents 87.42% of the derivatives on the asset side of the balance sheet at the end of the reporting period.
The amount of reverse repurchase agreements subject to offsetting represents 72.48% of the reverse repurchase agreements on the asset side of the balance sheet at the end of the reporting period.

€ million Type of financial instrument	31.12.2013 restated Offsetting effects on financial assets covered by master netting agreement and similar agreements					
	Gross amounts of financial assets before offsetting	Gross amounts of financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
				Gross amounts of financial liabilities covered by master netting agreement	Amounts of other financial instruments received as collateral, including security deposit	
Derivatives	326,479	158,691	167,788	153,779	5,993	8,016
Reverse repurchase agreements	50,058		50,058	43,380	6,666	12
Total financial assets subject to offsetting	**376,537**	**158,691**	**217,846**	**197,159**	**12,659**	**8,028**

The amount of derivatives subject to offsetting represents 96.33% of the derivatives on the asset side of the balance sheet at the end of the reporting period.
The amount of reverse repurchase agreements subject to offsetting represents 44.26% of the reverse repurchase agreements on the asset side of the balance sheet at the end of the reporting period.

Offsetting – financial liabilities

€ million Type of financial instrument	31.12.2014 Offsetting effects on financial liabilities covered by master netting agreement and similar agreements					
	Gross amounts of financial liabilities before offsetting	Gross amounts of financial assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
				Gross amounts of financial assets covered by master netting agreement	Amounts of other financial instruments given as garantee , including security deposit	
Derivatives	340,012	143,067	196,945	169,801	18,486	8,658
Repurchase agreements	86,297	18,728	67,569	67,569		
Total financial liabilities subject to offsetting	**426,309**	**161,795**	**264,514**	**237,370**	**18,486**	**8,658**

The amount of derivatives subject to offsetting represents 90.43% of the derivatives on the liabilities side of the balance sheet at the end of the reporting period.
The amount of repurchase agreements subject to offsetting represents 66.55% of the derivatives on the liabilities side of the balance sheet at the end of the reporting period.

€ million Type of financial instrument	31.12.2013 restated Offsetting effects on financial liabilities covered by master netting agreement and similar agreements					
	Gross amounts of financial liabilities before offsetting	Gross amounts of financial assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements	Other amounts that can be offset under given conditions		Net amount after all offsetting effects
				Gross amounts of financial assets covered by master netting agreement	Amounts of other financial instruments given as garantee , including security deposit	
Derivatives	332,991	158,691	174,300	153,779	6,813	13,708
Repurchase agreements	58,116		58,116	43,380	7,683	7,053
Total financial liabilities subject to offsetting	**391,107**	**158,691**	**232,416**	**197,159**	**14,496**	**20,761**

The amount of derivatives subject to offsetting represents 100% of the derivatives on the liabilities side of the balance sheet at the end of the reporting period.

The amount of repurchase agreements subject to offsetting represents 53.82% of the derivatives on the liabilities side of the balance sheet at the end of the reporting period.

6.13 Current and deferred tax assets and liabilities

€ million	31.12.2014	31.12.2013 restated
Current taxes	361	339
Deferred taxes	916	1 163
Total current and deferred tax assets	**1,277**	**1,502**
Current taxes	237	271
Deferred taxes	304	211
Total current and deferred tax liabilities	**541**	**482**

Net deferred tax assets and liabilities break down as follows:

€ million	31.12.2014		31.12.2013 restated	
	Deffered tax Asset	Deffered tax Liabilities	Deffered tax Asset	Deffered tax Liabilities
Temporary timing differences	**824**	**31**	**1,028**	**36**
Non-deductible accrued expenses	189		171	
Non-deductible provisions for liabilities and charges	520		697	
Other temporary differences [1]	115	31	160	36
Deferred taxes / Reserves for unrealised gains or losses	**64**	**274**	**40**	**180**
Available-for-sale assets		52	2	42
Cash flow hedges		275		163
Gains and losses/ Actuarial differences	64	(53)	38	(25)
Deferred taxes/ Result	**104**	**75**	**146**	**46**
Impact of netting	**(76)**	**(76)**	**(51)**	**(51)**
Total deferred taxes	**916**	**304**	**1,163**	**211**

[1] The portion of deferred taxes related to tax loss carry-forwards is €268 million for 2014 compared to €317 million for 2013 restated.

Deferred tax assets are netted on the balance sheet by taxable entity.

6.14 Accrued income and expenses and other assets and liabilities

Accruals, prepayments and sundry assets

€ milllion	31.12.2014	31.12.2013 restated
Sundry assets	**40,216**	**34,201**
Inventory accounts and miscellaneous	113	96
Miscellaneous debtors	24,588	29,091
Settlement accounts	15,515	5,014
Prepayments and accrued income	**2,716**	**5,420**
Items in course of transmission to other banks	1,980	2,923
Adjustment and suspense accounts	111	1,602
Accrued income	145	444
Prepayments	50	68
Other	430	383
Carrying amount	**42,932**	**39,621**

Accruals, deferred income and sundry liabilities

€ milllion	31.12.2014	31.12.2013 restated
Sundry liabilities [1]	**36,476**	**30,071**
Settlement accounts	18,755	9,636
Sundry creditors	17,720	20,435
Accrual and deferred income	**6,352**	**4,851**
Items in course of transmission to other banks [2]	2,137	2,901
Adjustment and suspense accounts	1,385	109
Unearned income	295	321
Accrued expenses	1,501	1,305
Other accruals prepayments ans sundry liabilities	1,034	215
Carrying amount	**42,828**	**34,922**

[1] Amounts include accrued interest.
[2] Amounts are shown net.

6.15 Assets, liabilities and income from discontinued or held-for-sale operations

€ million	31.12.2014	31.12.2013 restated
Held-to-maturity financial assets	0	268

6.16 Joint ventures and associates

The market value shown below is the quoted price of the shares on the market at 31 December 2014. 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 determined pursuant to IAS 28. Investments in equity-accounted entities were subject to impairment tests using the same methodology as for goodwill, i.e., by using expected future cash flow estimates of the companies in question and by using the valuation parameters described in Note 6.18 “Goodwill”.

Significant restrictions

CACIB is subject to the following restrictions:

■ Regulatory constraints

The subsidiaries of CACIB are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to CACIB.

■ Legal constraints

The subsidiaries of CACIB are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of case, these are less restrictive than the regulatory limitations mentioned above.

■ Other constraints

A subsidiary of CACIB, Banque Saudi Fransi, is required to obtain prior approval for the payment of dividends from their prudential authorities (namely the Saudi Monetary Authority).

6.16.1 Joint ventures

■ Individual financial summary information on joint ventures

€ million	31.12.2014			
	Equity-accounted value	Market value	Dividends paid to group's entities	Share of net income
ELIPSO	33			(15)
UBAF	156			
Net carrying amount of investments in equity-accounted entities	**189**			**(15)**

€ million	31.12.2013 restated			
	Equity-accounted value	Market value	Dividends paid to group's entities	Share of net income
ELIPSO	49			(3)
UBAF	152		7	12
Net carrying amount of investments in equity-accounted entities	**201**			**9**

Summary financial information for joint ventures of CACIB is shown below:

€ million	31.12.2014						
	Profit & Loss						
	Revenues	Gross operating income	Cost of risk	Income tax (expense)	Net income	Other comprehensive income	Net income & Other comprehensive income
ELIPSO	(31)	(31)			(31)		(31)
UBAF	49	8	(1)	(1)	6	9	15

€ million	31.12.2013 restated						
	Profit & Loss						
	Revenues	Gross operating income	Cost of risk	Income tax (expense)	Net income	Other comprehensive income	Net income & Other comprehensive income
ELIPSO	(7)	(7)			(7)		(7)
UBAF	55	15	(27)	(2)	26	10	36

€ million	31.12.2014									
	Assets					Liabilities				
	Total assets	o/w financial assets at fair value through P&L	o/w available-for-sale financial assets	o/w loans and receivables	o/w cash and cash equivalents	Total liabilities	o/w financial liabilities at fair value through P&L	o/w due to credit institutions/ customers	o/w debt instruments	Total equity
ELIPSO	256			254		189			183	67
UBAF	1,579	3	157	1,334	50	1,249		1,174		330

€ million	31.12.2013 restated									
	Assets					Liabilities				
	Total assets	o/w financial assets at fair value through P&L	o/w available-for-sale financial assets	o/w loans and receivables	o/w cash and cash equivalents	Total liabilities	o/w financial liabilities at fair value through P&L	o/w due to credit institutions/ customers	o/w debt instruments	Total equity
ELIPSO	301			297		204			204	97
UBAF	1,657	2	151	1,408	70	1,335		1,246	22	322

These data correspond financial statements prepared under IFRS published by joint-ventures.

The reconciliation between equity of joint-ventures and the carrying amount of the investment in CACIB's consolidated financial statements is as follows:

€ million	31.12.2014			
	Share of equity [1]	Consolidation restatements	Goodwill	Equity-accounted value
ELIPSO	33			33
UBAF	156			156
Total	**189**			**189**

[1] Equity, Group share in financial statements of joint-venture when the joint-venture is a subgroup.

€ million	31.12.2013 restated			
	Share of equity [1]	Consolidation restatements	Goodwill	Equity-accounted value
ELIPSO	49			49
UBAF	152			152
Total	**201**			**201**

[1] Equity, Group share in financial statements of joint-venture when the joint-venture is a subgroup.

6.16.2 Associates

■ Individual condensed financial summary information on associates

€ million	31.12.2014			
	Equity-accounted value	Share of market value	Dividends paid to group's entities	Share of net income
Banque Saudi Fransi	1,770	2,571	186	177
Net carrying amount of investments in equity-accounted entities	**1,770**	**2,571**		**177**

€ million	31.12.2013 restated			
	Equity-accounted value	Share of market value	Dividends paid to group's entities	Share of net income
Banque Saudi Fransi	1,372	1,898	5	115
Net carrying amount of investments in equity-accounted entities	**1,372**			**115**

Summary financial information for the material associates of CACIB is shown below :

€ million	31.12.2014			
	Profit and loss			
	Revenues	Net income	Other comprehensive income	Net income & Other comprehensive income
Banque Saudi Fransi	1,167	709	127	836

€ million	31.12.2013 restated			
	Profit and loss			
	Revenues	Net income	Other comprehensive income	Net income & Other comprehensive income
Banque Saudi Fransi	1,012	482	49	531

€ million	31.12.2014								
	Assets				Liabilities				
	Total assets	o/w financial assets at fair value through P&L	o/w available-for-sale financial assets	o/w loans and receivables	Total liabilities	o/w financial liabilities at fair value through P&L	o/w due to credit institutions/ customers	o/w debt instruments	Total equity
Banque Saudi Fransi	41,401	471	1,938	25,559	32,598		32,707	2,002	5,803

€ million	31.12.2013 restated								
	Actifs				Passifs				
	Total assets	o/w financial assets at fair value through P&L	o/w available-for-sale financial assets	o/w loans and receivables	Total liabilities	o/w financial liabilities at fair value through P&L	o/w due to credit institutions/ customers	o/w debt instruments	Total equity
Banque Saudi Fransi	32,879	63	1,521	21,526	28,390	49	26,161	1,379	4,489

These data correspond financial statements prepared under IFRS published by associates.

The reconciliation between equity of associates and the carrying amount of the investment in CACIB's consolidated financial statements is as follows:

€ million	31.12.2014			
	Share of equity [1]	Consolidation restatements	Goodwill	Equity-accounted value
Banque Saudi Fransi	1,807	(37)		1,770
Banque Saudi Fransi	**1,807**			**1,770**

[1] Equity, Group share in financial statements of associate when the associate is a subgroup.

€ million	31.12.2013 restated			
	Share of equity [1]	Consolidation restatements	Goodwill	Equity-accounted value
Banque Saudi Fransi	1,396	(24)		1,372
Banque Saudi Fransi	**1,396**			**1,372**

[1] Equity, Group share in financial statements of associate when the associate is a subgroup.

6.17 Property, plant and equipment and intangible assets (excluding goodwill)

€ million	31.12.2013 restated	Transfers in non-current assets held for sale	Changes in scope	Increases (acquisitions, business combinations)	Decreases (disposals and redemptions)	Translation adjustment	Other movements	31.12.2014
Property, plant and equipment used in operations								
Gross value	1,163			54	(40)	29		1,206
Depreciation and impairment [1]	(768)			(54)	20	(22)	(1)	(825)
Carrying amount	**395**				**(20)**	**7**	**(1)**	**381**
Intangible assets								
Gross value	537			47	(14)	7	(1)	576
Depreciation and impairment	(384)			(36)	13	(4)		(411)
Carrying amount	**153**			**11**	**(1)**	**3**	**(1)**	**165**

(1) Including depreciation on fixed assets lent to third parties

€ million	01.01.2013 restated	Transfers in non-current assets held for sale	Changes in scope	Increases (acquisitions, business combinations)	Decreases (disposals and redemptions)	Translation adjustment	Other movements	31.12.2013 restated
Property, plant and equipment used in operations								
Gross value	1,237		5	49	(58)	(24)	(46)	1,163
Depreciation and impairment [1]	(802)			(56)	48	16	26	(768)
Carrying amount	**435**		**5**	**(7)**	**(10)**	**(8)**	**(20)**	**395**
Intangible assets								
Gross value	498			52	(9)	(4)		537
Depreciation and impairment	(355)			(39)	9	2	(1)	(384)
Carrying amount	**143**			**13**		**(2)**	**(1)**	**153**

(1) Including depreciation on fixed assets lent to third parties

6.18 Goodwill

€ million	31.12.2013 restated GROSS	31.12.2013 restated NET	Increases (acquisitions)	Decreases (disposals)	Impairment losses during the period	Translation adjustments	Other movements	31.12.2014 GROSS	31.12.2014 NET	31.12.2014 NET
Corporate and Investment Banking	644	474							644	474
Private Banking	479	479			(22)	6			487	463
TOTAL	**1,123**	**953**			**(22)**	**6**			**1,131**	**937**

Goodwill was subject to impairment tests based on the assessment of the value in use of the cash generating units (CGU) to which it is associated. The determination of value in use was calculated by discounting the CGU's estimated future cash flows calculated from the medium-term plans developed for Group management purposes.

The following assumptions were used:

- estimated future flows: projected based on projected budgets over three years approved by the entity's governance;

  The forecasts in the business line plans were prepared on the basis of the economic scenario of Crédit Agricole S.A. at end-September 2014, which assumed that long-term interest rates would remain very low while nevertheless normalising towards the end of the period. The main assumptions relating to the economic environment are as follows:

  - A gradual improvement in the outlook for the eurozone, marked by a fragile recovery, due to uncertainties surrounding public finances, in France in particular, and the rise in geopolitical risk in Central Europe;
  - A return to normal in the US where confidence seems to have returned. Unemployment should continue to fall while growth strengthens;
  - Limited visibility for emerging countries, with contrasting fortunes: growth under pressure in China, a fragile recovery in India, growth permanently below par in Brazil and an economic slowdown in Russia compounded by the geopolitical crisis.
- Equity allocated to the various business lines corresponds, at 31 December 2014, to 8% of risk weighted assets for banking activities ;
- perpetual growth rate : 2%;
- discount rate : 9.2% (Private Bank) and 10.0% (Corporate and investment banking)

The persistent downward trend in long-term interest rates, particularly in France, was factored in when calculating the discount rate. The effect is to reduce the rates applied to French subsidiaries by around 90 basis points compared to end-2013, consistent with the change in rate assumptions used to calculate budgets and three-year projections.

The discount rate applied to the corporate and investment banking business was revised down to reflect the changing risk profile of this business.

Sensitivity tests conducted on goodwill – Group share show that:

- a variation of + 50 basis points in equity allocation rates to the CGUs would not lead to an impairment charge ;
- a variation of + 50 basis points in the discount rate would not lead to an impairment charge;
- a variation of +100 basis points in the cost-income ratio during the final year would not lead to an impairment charge ;
- a variation of +10 basis points in the cost of risk would not lead to an impairment charge.

6.19 Provisions

€ million	31.12.2013 restated	Change in scope	Depreciation charges	Reversals, amounts used	Reversals, amount not used	Translation adjustment	Other movements	31.12.2014
Financing commitment execution risks	16		1		(12)	1		6
Operational risks								
Employee retirement and similar benefits	516		60	(57)	(1)	11	143	672
Litigation	720	1	155	(38)	(34)	42		846
Equity investments								
Restructuring	10			(6)				4
Other risks	100		37	(33)	(39)	3		68
Total	**1,362**	**1**	**253**	**(134)**	**(86)**	**57**	**143**	**1,596**

€ million	01.01.2013 restated	Change in scope	Depreciation charges	Reversals, amounts used	Reversals, amount not used	Translation adjustment	Other movements	31.12.2013 restated
Financing commitment execution risks	18		3		(4)	(1)		16
Operational risks								
Employee retirement and similar benefits	570		31	(51)	(17)	(4)	(13)	516
Litigation	649		181	(4)	(30)	(24)	(52)	720
Equity investments	2				(2)			
Restructuration	13		10	(2)	(1)		(10)	10
Other risks	70		73	(48)	(46)	(1)	52	100
Total	**1,322**		**298**	**(105)**	**(100)**	**(30)**	**(23)**	**1,362**

Tax audits

■ Crédit Agricole CIB Paris tax audit

Crédit Agricole CIB was the object of an audit of accounts covering financial years 2008, 2009 and 2010. It received an adjustment notice in late 2013 but challenged virtually all of the proposed adjustments. A provision was recognised to cover the estimated risk. Discussions with the tax authorities took place in 2014. Despite these, there was no significant change over the year and this provision is therefore maintained.

■ Merisma tax audit

Merisma, a Crédit Agricole CIB subsidiary, consolidated by Crédit Agricole S.A. Group for tax purposes, has been the object of tax adjustment notices for financial years 2006 to 2010, plus surcharges for abuse of law.

Although challenged in their entirety, provisions have been set aside for the adjustments.

■ Crédit Agricole CIB Milan tax audit

Crédit Agricole CIB Milan, during each of the last several years, following audits of its accounts, has received tax adjustment notices issued by the Italian tax authorities for financial years 2005, 2006, 2007, 2008 and 2009. Crédit Agricole CIB challenged the proposed adjustments. At the same time, it has referred the case to the competent French and Italian authorities. A provision was recognised to cover the estimated risk.

6.20 Equity Group share

Ownership structure at 31 December 2014

At 31 December 2014, the distribution of capital and voting rights is as follows

Crédit Agricole CIB shareholders	Number of shares at 31.12.2014	% of share capital	% of voting rights
Credit Agricole S.A.	261,514,764	97.33%	97.33%
SACAM Developpement [1]	5,992,478	2.23%	2.23%
Delfinances [2]	1,180,715	0.44%	0.44%
Individuals	16	ns	ns
Total	**268,687,973**	**100.00%**	**100.00%**

[1] held by Crédit Agricole group
[2] held by Crédit Agricole S.A. Group

The par value of shares is €27. All the shares are fully paid up.

Earnings per share

	31.12.2014	31.12.2013 restated
Net income (Group share) for the period (in million of euros)	1,049	565
Weighted average number of ordinary shares in issue during the period	268,687,973	268,687,973
Number of potentially dilutive shares		
Weighted average number of ordinary shares used to calculate diluted earnings per share	268,687,973	268,687,973
Basic earnings per share (in euros)	**3.90**	**2.10**
Basic earnings per share from ongoing activities (in euros)	**3.89**	**1.52**
Basic earnings per share from discontinued activities (in euros)	**0.01**	**0.58**
Diluted earnings per share (in euros)	**3.90**	**2.10**
Diluted earnings of ongoing activities (in euros)	**3.89**	**1.52**
Diluted earnings of discontinued activities (in euros)	**0.01**	**0.58**

Dividends

Dividend paid in respect of year	Net amount in € million
2011	647
2012	-
2013	1,000

In respect of 2014, the Board of Directors proposed to submit to the approbation of the general shareholders's meeting the distribution of €999,519,259.56.

Appropriation of net income and proposed dividend

The appropriation of net income is proposed in a draft resolution presented by the Board of Directors to the Crédit Agricole CIB Shareholders'Meeting of 30 April 2015. The proposed resolution is as follows:

▶ FIRST RESOLUTION - APPROBATION OF PARENT-COMPANY FINANCIAL STATEMENTS

The Shareholders'meeting, ruling on an ordinary basis and after reviewing the Board of Directors report to the Shareholders'meeting, the business review of the Board of Directors, the Chairman of the Board of Directors report and the Auditors' report, approve the parent-company financial statements at 31.12.2014 as presented to them.

▶ SECOND RESOLUTION - APPROBATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders'meeting, ruling on an ordinary basis and after reviewing the Board of Directors report to the Shareholders'meeting, the business review of the Board of Directors, the Chairman of the Board of Directors report and the Auditors' report, approve the consolidated financial statements at 31.12.2014 as presented to them.

▶ THIRD RESOLUTION - APPROPRIATION OF NET INCOME

The Ordinary shareholders'meeting, on proposition of the Board of Directors, noting that the 2014 €1,317,686,067.07 profit, deciding to appropriate the 2014 net income as follows:

- €65,884,303.35 to the legal reserve which will amount to €570.694.315.68 in accordance with article L.232-10 alinea 1 of the Code de Commerce;
- distribution of €999,519,259.56, the General meeting noted before that the Company is relieved of all other obligations of reserves and that the distributable benefit amounts to EUR €2,988,357,980.19 after taking into account the earning carried forward, which amounts to €1,736,556,216.47
- allocation of the remaining amount to the earning carried forward, which will amount to €1,988,838,720.63.

The Shareholders' meeting fixed the dividend attached to the period ending on 31 December 2014 to a gross amount of €3.72 for each of the shares entitled to this dividend, i.e 268,687,973 shares.

This dividend is eligible for the abatement planned on 2° of 3 of Article 158 of the General Tax Code for natural individuals shareholders domiciled in France.

The Shareholders' meeting fixed the date of payment of the dividend on 21 May 2015.

In compliance with the law, the annual general meeting formally noted the distributions made with respect to the three previous years:

Year	Number of shares receiving dividend	Dividend
2011	250,935,992	2.58*
2012	-	-
2013	268,687,973	3.72*

(*) Dividend eligible to 40% abatement defined in article 158 2°of 3. of the General Tax Code for individual shareholders.

Capital management

Crédit Agricole CIB's capital management policy is defined in two stages, in close liaison with its majority shareholder:

- Compliance with the total ratio objectives set by the Crédit Agricole S.A. Group (percentage capital allocation per Crédit Agricole Group business line) and those set in discussion with the Autorité de Contrôle Prudentiel et de Résolution;
- Allocation between Crédit Agricole CIB's business lines based on their risk profile, their profitability and the development targeted.

In 2014, Crédit Agricole CIB respected the goals that it had been assigned. Information regarding capital and solvency ratio is available in the section "Risk factors – Pillar 3".

6.21 Non-controlling interest

Non-controlling interest held by Crédit Agricole CIB are non significant.

6.22 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 «Undefined».

€ million	31.12.2014					
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Undefined	Total
Cash, due from central banks	47,877					47,877
Financial assets at fair value through profit and loss	105,611	26,950	77,544	140,902	4,722	355,729
Derivative hedging instruments	1,947	219	133	52		2,351
Available-for-sale financial assets	5,215	7,094	9,463	2,575	750	25,097
Due from Banks	35,452	3,541	5,732	642		45,367
Loans and advances to customers	40,023	16,940	42,363	20,665		119,991
Valuation adjustment on portfolios of hedged items	34					34
Held-to-maturity financial assets						
Total financial assets by maturity date	**236,159**	**54,744**	**135,235**	**164,836**	**5,472**	**596,446**
Due to central banks	2,207					2,207
Financial liabilities at fair value through profit and loss	104,588	18,158	76,528	156,665		355,939
Derivative hedging instruments	878	38	95	75		1,086
Due to banks	48,321	4,223	16,461	2,603		71,608
Customer accounts	86,842	8,190	1,365	395		96,792
Debt securities in issue	22,112	16,889	11,660	59		50,720
Subordinated debt			550	4,017		4,567
Valuation adjustment on portfolios of hedged items	93					93
Total financial liabilities by maturity date	**265,041**	**47,498**	**106,659**	**163,814**		**583,012**

€ million	31.12.2013 restated					
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Undefined	Total
Cash, due from central banks	56,168					56,168
Financial assets at fair value through profit and loss	112,225	23,212	73,643	97,773	3,151	310,004
Derivative hedging instruments	976	63	323	34		1,396
Available-for-sale financial assets	7,899	5,564	11,048	2,271	968	27,750
Due from Banks	28,595	4,386	5,903	699		39,583
Loans and advances to customers	39,908	12,289	39,004	18,773		109,974
Valuation adjustment on portfolios of hedged items	23					23
Held-to-maturity financial assets						
Total financial assets by maturity date	**245,794**	**45,514**	**129,921**	**119,550**	**4,119**	**544,898**
Due to central banks	2,036					2,036
Financial liabilities at fair value through profit and loss	115,789	17,607	81,123	108,119	2	322,640
Derivative hedging instruments	634	25	83	45		787
Due to banks	39,335	3,609	11,845	3,241	4	58,034
Customer accounts	98,763	6,073	1,828	677		107,341
Debt securities in issue	24,543	7,039	9,508	35	1	41,126
Subordinated debt	3		546	4,613		5,162
Valuation adjustment on portfolios of hedged items	47					47
Total financial liabilities by maturity date	**281,150**	**34,353**	**104,933**	**116,730**	**7**	**537,173**

NOTE 7 : EMPLOYEE BENEFITS ET OTHER COMPENSATION

7.1 Analysis of employee expenses

€ million	31.12.2014	31.12.2013 Restated
Salaries[1]	(1,294)	(1,278)
Contributions to defined-contribution plans	(71)	(80)
Contributions to defined-benefit plans	(27)	(7)
Other social security expenses	(277)	(299)
Profit-sharing and incentive plans	(34)	(33)
Payroll-related tax	(47)	(38)
Total employee expenses	**(1,750)**	**(1,735)**

[1] of which expenses related to shared-based payments for €52.7 million at 31 December 2014 compared to €56,6 million at 31 December 2013.

7.2 Headcount at year-end

Number of employees (Full-time equivalent)	31.12.2014	31.12.2013 Restated
France	4,090	4,133
International	5,630	5,716
Total	**9,720**	**9,849**

7.3 Post-employment benefits, 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 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 CIB has no liability in this respect other than the contributions payable.

Within Crédit Agricole CIB, there are several compulsory defined-contribution plans, the main ones being AGIRC/ARRCO, which are French supplementary retirement plans, notably supplemented by a “Article 83” type plan.

7.4 Post-employment benefits, defined-benefit plans

Change in actuarial liability

€ million	Eurozone 31.12.2014	Outside Eurozone 31.12.2014	All Zones 31.12.2014	31.12.2013 Restated All Zones
Actuarial liability at 31 December 2013	**211**	**1,164**	**1,375**	**1,382**
Translation adjustments		67	67	(28)
Current service cost during the period	8	32	40	42
Finance cost	5	40	45	41
Employee contributions		12	12	9
Benefit plan changes, withdrawals and settlement		(1)	(1)	(12)
Change in scope				6
Benefits paid (mandatory)	(11)	(36)	(47)	(52)
Taxes administrative expenses, and bonuses				0
Actuarial gains/(losses) arising from changes in demographic assumptions	8	(24)	(16)	11
Actuarial gains/(losses) arising from changes in financial	63	172	235	(24)
Actuarial liability at 31 December 2014	**284**	**1,426**	**1,710**	**1,375**

Breakdown of net charge recognised in the income statement

€ million	Eurozone 31.12.2014	Outside Eurozone 31.12.2014	All Zones 31.12.2014	31.12.2013 Restated All Zones
Service cost	8	32	40	30
Income/expenses on net Interests	6	3	9	8
Impact in profit and loss at 31 December 2014	**14**	**35**	**49**	**38**

Breakdown of charge recognised in OCI(*) that will not be reclassified to profit and loss

€ million	Eurozone 31.12.2014	Outside Eurozone 31.12.2014	All Zones 31.12.2014	31.12.2013 Restated All Zones
Revaluations of the net liabilities/assets				
Total amount of actuarial gains or losses recognised in OCI that will not be reclassified to profit and loss at 31/12/2013	76	135	211	238
Translation adjustment		9	9	(3)
Actuarial gains/(losses) on assets		(60)	(60)	(11)
Actuarial gains/(losses) arising from changes in demographic assumptions (1)	8	(24)	(16)	11
Actuarial gains/(losses) arising from changes in financial assumptions (1)	63	172	235	(24)
Adjustment of assets restriction's impact				
Income in OCI(*) at 31 December 2014	**71**	**97**	**168**	**(27)**
(1) of which actuarial gains /losses related to experience adjustment	4	(44)	(40)	7

(*) OCI: Other Comprehensive Income

Change in fair value of assets

€ million	Eurozone 31.12.2014	Outside Eurozone 31.12.2014	All Zones 31.12.2014	31.12.2013 Restated All Zones
Fair value of assets at 31 December 2013	**17**	**1,023**	**1,040**	**1,027**
Translation adjustments		59	59	(24)
Interests on asset (income)		37	37	32
Actuarial net gains/(losses)		61	61	11
Employer contributions	2	26	28	26
Employee contributions		12	12	9
Benefit plan changes, withdrawals and settlement				
Change in scope				5
Tax, administrative costs and bonuses				
Benefits paid out under the benefit plan	(2)	(36)	(38)	(46)
Fair value of assets at 31 December 2014	**17**	**1,182**	**1,199**	**1,040**

Net position

€ million	Eurozone 31.12.2014	Outside Eurozone 31.12.2014	All Zones 31.12.2014	31.12.2013 Restated All Zones
Closing net actuarial liability	**284**	**1,426**	**1,710**	**1,375**
Impact of asset restriction				
Fair value of assets at end of period	17	1,182	1,199	1,040
Net closing of assets/(liabilities) at end of period	**(267)**	**(244)**	**(511)**	**(335)**

Defined benefit plans: main actuarial assumptions

	31.12.2014	31.12.2013 Restated
Discount rate [1]	2.33%	3.29%
Actual return on plan assets and reimbursement rights	9.11%	4.35%
Expected salary increases [2]	2.40%	2.79%
Rate of change in medical costs	4.50%	4.50%
Other (inflation)	1.60%	2.23%

[1] Discount rates are determined as a function of the average duration of the commitment, that is the arithmetic mean of durations calculated between the assessment date and the payment date weighted by assumptions of staff turnover.
[2] Depending on the employees concerned (managers or non-managers).

Information on plan assets

Allocation of assets	Eurozone			Outside Eurozone			All Zones		
	%	Amount	o/w listed	%	Amount	o/w listed	%	Amount	o/w listed
Equities	7.36%	1	1	24.89%	294	294	24.64%	295	295
Bonds	61.27%	11	11	51.87%	613	613	52.00%	623	623
Property / Real Estate	4.37%	1		7.07%	84		7.04%	84	
Other	27.00%	5		16.17%	191		16.33%	196	

CACIB's policy on covering employee benefit obligations reflects local rules on funding post-employment benefits in countries with minimum funding requirements.

Globally, CACIB's employee retirement are covered by 70% at 31 December 2014.

At 31 December 2014, the sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 7.5%;
- a 50 basis point decrease in discount rates would increase the commitment by 8.4%.

7.5 Other employee benefits

Crédit Agricole CIB gives its employees an interest in its development and in its results through different mechanisms.

Under the profit-sharing agreement, the special reserve has been calculated since 2004 according to the statutory formula pursuant to Articles D 3324-1 to D 3324-9 of the French Labour Code. It is shared among beneficiaries proportionally to their gross salary and limited within a range defined by a floored and capped compensation, the attribution of rights also being legally capped.

Under the incentive plans, an agreement has been signed covering 2013, 2014 and 2015. It involves employees in the performance of the company through the reduction of the cost/income ratio and increase of the net income, before taking account of the impact of exceptional items.

The amounts distributed in France by Crédit Agricole CIB during the last five financial years are as follows:

Financial year	Year of payment	Employee Profit-sharing € million	Incentive plans € million
2013	2014		20.1
2012	2013		23.9
2011	2012		27.5
2010	2011		31.6
2009	2010		

An incentive plan should be distributed in 2015 with respect to 2014 financial year.

Besides, Crédit Agricole CIB has an Employee Saving Plan ("Plan d'épargne entreprise", PEE) as well as a Collective Pension Savings Plan ("Plan d'épargne retraite collectif", PERCO) to supplement the above mentioned plans. They offer a diverse selection of mutual funds. Crédit Agricole CIB matches the employees' voluntary contributions:

- Employee Saving Plan: the employer contribution rate is 150% for 2014 financial year, within €1,000 of employee's contribution per year (under the 27 February 2014 agreement, valid until 31 December 2014). This rate has been extended for 2015 financial year.
- Collective Pension Savings Plan: this employer's contribution was established by the 28 April 2011 agreement. The employer contribution rate is a function of amounts invested and comes as follows:
  - from 0 to €750 invested: rate of 80%, meaning a maximum of €600;
  - from €750.01 to €2,000 invested: rate of 40%, meaning a maximum of €500;
  - from €2,000.01 to €4,000 invested: rate of 20%, meaning a maximum of €400;

That is a total maximum gross employer's contribution of €1,500 for €4,000 € invested.

Moreover, Crédit Agricole CIB pays long-service awards.

7.6 Share-based payments

Stock option plan

There was no new plan implemented in 2014.

Employee bonus share plan

Pursuant to the authorisations granted by the Extraordinary General Meeting of Shareholders of 18 May 2011, the implementation of a bonus share plan was decided at the Board of Directors' meeting of 9 November 2011 in order to allow all employees of Crédit Agricole S.A. Group to participate in the Company's capital and success.

This plan provides for individual grants of 60 shares each to more than 82,000 Crédit Agricole S.A. employees in 58 countries. No condition of performance is required. The plan includes, however, two-restrictions: attendance during the vesting period and the prohibition to transfer or sell the shares during the lock-up period.

In France, the shares were delivered at the end of 2013 and are subject to a two-year-lock-in period. In the rest of the world, the delivery calendar was adapted to local circumstances, including local tax rules. In countries where shares were not delivered in 2013 they will be delivered at the end of 2015. There will be no lock-in period on these shares.

No new plans were implemented in 2014.

Deferred variable compensation paid in shares or in cash indexed to the share price

The deferred compensation plans implemented by the Group in respect of services rendered in 2012 comprise:

- equity-settled plans;
- cash-settled plans indexed on Crédit Agricole S.A. share price.

In both cases, variable compensation is subject to conditions of attendance and performance and deferred by thirds to March 2015, March 2016 and March 2017.

The expense related to these plans is recognised in compensation expenses on a straight-line basis over the vesting period to reflect the condition of attendance, along with an entry to:

- equity, in the case of equity-settled plans, with the expense being revalued solely on the basis of the estimated number of shares to be paid (in relation to the conditions of attendance and performance);
- liabilities to employees, in the case of cash-settled plans, with periodical revaluation of the liability through profit or loss until the settlement date, depending on the evolution of the share price and on vesting conditions (conditions of attendance and performance).

7.7 Share-based payments

Top Executives of Crédit Agricole CIB include all members of the Executive Committee and members of the Board of Directors of Crédit Agricole CIB.

The composition of the Executive Committee is detailed in Governance and Internal control chapter of this document.

Compensation paid and benefits granted to the members of the Executive Committee in 2014 were as follows:

- short-term benefits: €17.8 million for fixed and variable compensation (€0.84 million of which paid in shares), including social security expenses and benefits in kind;
- post-employment benefits at 31 December 2014: €14.3 million for end-of-career benefits and for the supplementary pension plan for Group Senior Executive Officers;
- other long-term benefits: the amount of long-service awards granted was not material;
- employment contract termination indemnities: there was no payment for employment contract termination indemnities in 2014;
- other payment in shares: there was no other payment in shares (excluding the amount of €0.84 million mentioned above).

Total Directors' fees paid to members of Crédit Agricole CIB Board of Directors in 2014 in consideration for serving as Directors of Crédit Agricole CIB amounted to €0.38 million (gross amount).

NOTE 8: FINANCING AND GUARANTEE COMMITMENTS

Commitments given and received

€ million	31.12.2014	31.12.2013 Restated
COMMITMENTS GIVEN	**139,607**	**150,129**
Financing commitments	**98,879**	**103,279**
Commitments given to credit institutions	11,994	16,707
Commitments given to customers	86,885	86,572
Confirmed credit lines	80,292	72,643
Documentary credits	4,684	6,193
Other confirmed credit lines	75,608	66,450
Other commitments given to customers	6,593	13,929
Guarantee commitments	**40,728**	**46,850**
Credit institutions	4,826	8,358
Confirmed documentary credit lines	2,075	1,781
Other	2,751	6,577
Customers	35,902	38,492
Property guarantees	2,435	2,481
Other customer guarantees	33,467	36,011
COMMITMENTS RECEIVED	**150,225**	**157,611**
Financing commitments	**28,241**	**52,540**
Commitments received from credit institutions	23,537	38,886
Commitments received from customers	4,704	13,654
Guarantee commitments	**121,984**	**105,071**
Commitments received from credit institutions	4,659	6,081
Commitments received from customers	117,325	98,990
Guarantees received from government bodies or similar institution	18,422	16,593
Other guarantees received	98,903	82,397

Financial instruments given and received as collateral

€ million	31.12.2014	31.12.2013 Restated
Carrying amount of financial assets provided as collateral (including transferred assets)		
Securities and receivables provided as collateral for the refinancing structures (SFEF, Banque de France, CRH, etc.)	31,679	40,806
Securities lent	225	
Security deposits on market transactions	21,798	18,699
Securities sold under repurchase agreements		
Total carrying value of financial assets provided as collateral	101,537	107,991
Total carrying account of financial assets provided as collateral	**155,239**	**167,496**
Fair value of instruments received as reusable and reused collateral		
Fair value of instruments received as reusable and reused collateral	2	2
Securities borrowed	116,621	113,084
Securities bought under repurchase agreements	34,875	30,244
Securities sold short	**151,498**	**143,330**

Guarantees held

The majority of guarantees and enhancements held consists of mortgage lines, collateral or guarantees received, regardless of the quality of the assets guaranteed.

Guarantees held by Crédit Agricole CIB which it is allowed to sell or to use as collateral amount to €152 billion at 31 December 2014 compared to €143 billion at 31 December 2013. They are mainly related to repurchase agreements.

Crédit Agricole CIB policy is to sell seized collateral as soon as possible. Crédit Agricole CIB had no such assets either at 31 December 2014, or at 31 December 2013.

Receivables pledged as collateral

During 2014, Crédit Agricole CIB did not pledge any receivables as collateral to support Crédit Agricole Group involvement in the refinancing transactions granted by SFEF (Société de Financement de l'Economie Française), compared to €2,124 million in 2013.

The discontinuing of contribution of these receivables was effective of at 30 April 2014 for USD and at 31 May 2014 for EUR.

Besides, during the 2014, Crédit Agricole CIB deposited €1,014 million of receivables to the Banque de France for refinancing compared to €2,978 million in 2013.

At 31 December 2014, Crédit Agricole CIB uses no refinancing granted by the Banque de France.

NOTE 9: RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Principles applied by Crédit Agricole CIB

Reclassifications not included in the «Financial assets held for trading» or «Available-for-sale financial assets» categories were decided upon and implemented in accordance with the terms set forth by the amendment to IAS 39 adopted by the European Union on 15 October 2008. They were recorded in their new accounting category at fair value on the reclassification date.

Reclassification carried out by Crédit Agricole CIB

Pursuant to IAS 39 amendment published and adopted by the European Union on 15 October 2008, Crédit Agricole CIB made reclassifications in 2014 as allowed by IAS 39 amendment. Information on these reclassifications and on previous year reclassification is provided below.

Reclassifications: type, reason and amount

Crédit Agricole CIB carried out reclassifications in 2014 from the category "Available-for-sale financial assets" and "Financial assets at fair value through profit or loss" to the category "Loans and receivables". Reclassification between these two categories is made possible by IAS 39. This involves units in securitisation mutual funds subscribed in connection with financing activities and meeting the definition of "Loans and receivables" category.

These reclassifications were carried out on 30 June 2014 for the party "Available-for-sale financial assets" and on 16 December 2014 for the party "Financial assets at fair value through profit or loss".

Reclassifications made previously are reclassifications from the categories "Financial assets at fair value through profit or loss" to the category "Loans and receivables" and relate to loan syndication transactions or securitisation assets.

For the assets reclassified in 2014, the table below shows their value on reclassification date as well as their value at 31 December 2014, and the value at 31 December 2014 of assets previously reclassified and still in Crédit Agricole CIB assets at this date:

€ million	Total reclassified assets		Assets reclassified in 2014			Assets reclassified before			
	Carrying amount 31.12.2014	Estimated market value at 31.12.2014	Reclassification value	Carrying amount 31.12.2014	Estimated market value at 31.12.2014	Carrying amount 31.12.2014	Estimated market value at 31.12.2014	Carrying amount 31.12.2013	Estimated market value at 31.12.2013
Financial assets at fair value through profit or loss reclassified as loans and receivables	1,572	1,533	24	24	22	1,548	1,511	2,786	2,755
Available-for-sale financial assets reclassified as loans and receivables	396	396	398	396	396				
Total reclassified Assets	**1,968**	**1,929**	**422**	**420**	**418**	**1,548**	**1,511**	**2,786**	**2,755**

■ Change in fair value of reclassified assets recognised in profit or loss

The change in fair value recognised in income or in equity of the assets reclassified in 2014 is shown in the table below.

€ million	Change in fair value recognised	
	In 2014, as of reclassification date	In 2013 restated
Financial assets at fair value through profit or loss reclassified as loans and receivables		
Available-for-sale financial assets reclassified as loans and receivables	2	
Total reclassified Assets	**2**	**0**

■ Contribution of reclassified assets to net income since the reclassification date

Analysis of the impact of the transferred assets:

€ million	Impact on pre-tax income since reclassification date							
	Reclassified assets in 2014		Assets reclassified before					
	Impact in 2014		Cumulative impact at 31/12/2013 restated		Impact in 2014		Cumulative impact at 31.12.2014	
	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	2	0	(104)	(174)	56	47	(46)	(127)
Available-for-sale financial assets reclassified as loans and receivables	10	10					10	10
Total reclassified Assets	**12**	**10**	**(104)**	**(174)**	**56**	**47**	**(36)**	**(117)**

■ Additional information

At the reclassification date, the financial assets reclassified in 2014 had an actual interest rate of 2.23%, with non-discounted future cash flows estimated at €428 million for the party "Available-for-sale financial assets" transferred in "Loans and receivables" and an actual interest rate of 1.8%, with non-discounted future cash flows estimated at €24 million for the party "Financial assets at fair value through profit or loss" transferred in "Loans and receivables"

NOTE 10: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received at the sale of an asset or paid to transfer a liability in an arm's length transaction between market participants at the valuation date.

Fair value is defined on the basis of an exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. These 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 assumptions. It is assumed that market participants act in their best economic interest.

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.

10.1 Fair value of financial assets and liabilities measured at amortised cost

Amounts presented below include accruals and prepayments and are net of impairment.

Financial assets recognised at cost on the balance sheet and measured at fair value

€ million	Carrying amount at 31 December 2014	Estimated market value at 31 December 2014	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 not measured at fair value on balance sheet					
Loans and receivables	**165,358**	**166,579**		**50,765**	**115,814**
Loans and receivables due from credit institutions	**45,367**	**45,367**		**45,359**	**8**
Current accounts and overnight loans	*3,290*	*3,290*		*3,290*	
Accounts and term deposits	*15,518*	*15,518*		*15,518*	
Securities bought under repurchase agreements	*26,536*	*26,536*		*26,536*	
Subordinated loans					
Securities not traded in an active market	*8*	*8*			*8*
Other loans and receivables	*15*	*15*		*15*	
Loans and receivables due from customers	**119,991**	**121,212**		**5,406**	**115,806**
Trade receivables	*14,117*	*14,118*			*14,118*
Other customer loans	*88,679*	*89,901*			*89,901*
Securities bought under repurchase agreements	*1,291*	*1,291*		*1,291*	
Subordinated loans	*119*	*119*			*119*
Securities not traded in an active market	*11,562*	*11,560*			*11,560*
Advances in associates current accounts	*108*	*108*			*108*
Current accounts in debit	*4,115*	*4,115*		*4,115*	
Held-to-maturity financial assets	**0**	**0**			
Total financial assets of which fair value is disclosed	**165,358**	**166,579**		**50,765**	**115,814**

€ million	Carrying amount at 31 December 2013 Restated	Estimated market value at 31 Decembre 2013 Restated	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 not measured at fair value on balance sheet					
Loans and receivables	**149,557**	**150,625**		**44,803**	**105,822**
Loans and receivables due from credit institutions	**39,583**	**39,584**		**39,576**	**8**
Current accounts and overnight loans	2,834	2,835		2,835	
Accounts and term deposits	15,156	15,156		15,156	
Securities bought under repurchase agreements	21,488	21,488		21,488	
Subordinated loans	67	67		67	
Securities not traded in an active market	8	8			8
Other loans and receivables	30	30		30	
Loans and receivables due from customers	**109,974**	**111,041**		**5,227**	**105,814**
Trade receivables	12,072	12,072			12,072
Other customer loans	81,915	82,923			82,923
Securities bought under repurchase agreements	1,002	1,002		1,002	
Subordinated loans	130	129			129
Securities not traded in an active market	10,537	10,597			10,597
Advances in associates current accounts	93	93			93
Current accounts in debit	4,225	4,225		4,225	
Held-to-maturity financial assets	0	0			
Total financial assets of which fair value is disclosed	**149,507**	**150,625**		**44,803**	**105,822**

The fair value hierarchy of financial assets is broken down according to the general observability criteria of the inputs used for valuation, pursuant to the principles defined under IFRS 13.

Level 1 applies to the fair value of financial assets quoted on active markets.

Level 2 applies to the fair value of financial assets with observable inputs. This includes, in particular, market data relating to interest rate risk or credit risk when the latter can be revalued based on Credit Default Swaps (CDS) prices. Repurchase agreements with underlyings quoted on in active market are also included in Level 2 of the hierarchy, as well as financial assets with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 indicates the fair value of financial assets with unobservable inputs or for which some data can be revalued using internal models based on historical data. This includes, in particular, market data relating to credit risk or early redemption risk.

■ Financial liabilities recognised at cost on the balance sheet and measured at fair value

€ million	Carrying amount at 31 December 2014	Estimated market value at 31 December 2014	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 not measured at fair value on balance sheet					
Due to credit institutions	**71,608**	**71,608**		**71,608**	
Current accounts and overnight loans	7,814	7,814		7,814	
Accounts and term deposits	40,957	40,957		40,957	
Securities sold under repurchase agreements	22,837	22,837		22,837	
Due to customer accounts	**96,792**	**96,791**		**34,165**	**62,626**
Current accounts in credit	32,781	32,781		32,781	
Special savings accounts	127	127			127
Other accounts	62,499	62,499			62,499
Securities sold under repurchase agreements	1,385	1,384		1,384	
Debt securities	**50,720**	**50,727**		**50,727**	
Subordinated debt	**4,567**	**4,568**		**4,568**	
Total financial liabilities of which fair value is disclosed	**223,687**	**223,694**		**161,068**	**62,626**

€ million	Carrying amount at 31 December 2013 Restated	Estimated market value at 31 Decembre 2013 Restated	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 not measured at fair value on balance sheet					
Due to credit institutions	**58,034**	**58,034**		**58,034**	
Current accounts and overnight loans	8,281	8,314		8,281	
Accounts and term deposits	30,795	30,801		30,795	
Securities sold under repurchase agreements	18,958	18,957		18,958	
Due to customer accounts	**107,341**	**107,341**		**43,402**	**63,939**
Current accounts in credit	41,583	41,550		41,583	
Special savings accounts	150	150			150
Other accounts	63,789	63,773			63,789
Securities sold under repurchase agreements	1,819	1,819		1,819	
Debt securities	**41,126**	**41,131**		**41,131**	
Subordinated debt	**5,162**	**5,162**		**5,162**	
Total financial liabilities of which fair value is disclosed	**211,663**	**211,668**		**147,729**	**63,939**

The fair value hierarchy of financial liabilities is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13.

Level 1 applies to the fair value of financial liabilities quoted on active markets.

Level 2 applies to the fair value of financial liabilities with relevant observable inputs. This includes, in particular, market data relating to interest rate risk or credit risk when the latter can be revalued based on Credit Default Swaps (CDS) prices. Repurchase agreements with underlyings quoted in an active market are also included in level 2 of the hierarchy, as well as financial liabilities with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 indicates the fair value of financial liabilities with unobservable inputs or for which some data can be revalued using internal models based on historical data. This includes, in particular, market data relating to credit risk or early redemption risk.

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 adjust themselves to the market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- demand liabilities;
- transactions for which there are no reliable observable data.

10.2 Information about financial instruments measured at fair value

Valuation methods

Financial instruments are valued by management information systems and checked by a team that reports to the Risk Management department and is independent from the market operators.

Valuations are based on the use of:

- Prices or inputs obtained from independent sources and/or validated by the Market Risk Department using a series of available sources such as pricing service vendors, market consensus data and brokers;
- Models validated by the Market Risk Department's quantitative teams.

The valuation produced for each instrument is a mid-market valuation, which does not take into account of the direction of the trade, the bank's aggregate exposure, market liquidity or counterparty quality. Adjustments are then made to the market valuations to incorporate those factors, as well as the potential uncertainties inherent in the models or inputs used.

The main types of valuation adjustments are the following:

- Mark-to-market adjustments: these adjustments correct any potential variance between the midmarket valuation of an instrument obtained using internal valuation models and the associated inputs and the valuation obtained from external sources or market consensus data. These adjustments can be positive or negative.
- Bid/ask reserves: these adjustments incorporate the bid/ask spread for a given instrument in order to reflect the price at which the position could be reversed. These adjustments are always negative.
- Uncertainty reserves representing a risk premium as considered by any market participant. These adjustments are always negative.
  - Reserves for parameters uncertainty incorporate any uncertainty that may exist in terms of on one or several parameters used
  - Reserves for model uncertainty incorporate any uncertainty that may exist because of the choice of model used
  -
- The counterparty risk valuation on derivative assets (Credit Valuation Adjustment or CVA) and the risk of non-execution on its derivative liabilities (Debit Valuation Adjustment or DVA or own credit risk)

The CVA incorporates the credit risk associated with the counterparty (risk of non-payment of sums due in the event of default). It is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions after deducting any collateral. This adjustment is always negative and is deducted from the fair value of the financial assets.

The DVA incorporates the risk borne by our counterparties. It is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions. This adjustment is always positive and is deducted from the fair value of the financial liabilities.

The CVA/DVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs. The probability of default is in priority, directly deduced from listed CDS or listed CDS proxies when they are judged sufficiently liquid.

- The Funding Valuation Adjustment (FVA)

  The valuation of uncollateralised derivative instruments incorporates a FVA or Funding Valuation Adjustment related to the funding of these instruments.

  Its first-time application at 30 June 2014 results in the recognition of a loss of -€167 million.

Breakdown of financial instruments at fair value by valuation method

■ Financial assets measured at fair value

Amounts presented below include accruals and prepayments and are net of impairment.

€ million	**Total 31.12.2014**	Quoted prices in active markets for identical instruments: **Level 1**	Valuation based on observable data: Level 2 **Level 2**	Valuation based on unobservable data: Level 3 **Level 3**
Financial assets held for trading	**353,989**	**49,632**	**300,230**	**4,127**
Loans and receivables due from customers	261			261
Securities bought under repurchase agreement	88,972		88,972	
Securities held for trading	49,048	47,922	439	687
Treasury bills and similar securities	*35,015*	*34,834*	*181*	
Bonds and other fixed-income securities	*8,869*	*7,924*	*258*	*687*
Equities and other variable-income securities	*5,164*	*5,164*		
Derivative instruments	215,708	1,710	210,819	3,179
Financial assets designated at fair value through profit or loss	**1,740**		**1,613**	**127**
Loans and receivables due from credit institutions	1,613		1,613	
Securities designated at fair value through profit and loss	127			127
Bonds and other fixed-income securities	*127*			*127*
Equities and other variable-income securities				
Available-for-sale financial assets	**25,097**	**24,497**		**600**
Treasury bills and similar securities	11,110	11,110		
Bonds and other fixed-income securities	13,253	13,239		14
Equities and other variable-income securities	734	148		586
Hedging derivatives instruments	**2,351**		**2,257**	**94**
Total financial assets measured at fair value	**383,177**	**74,129**	**304,100**	**4,948**
Transfers from level 1 : Quoted prices in active markets for identical instruments	290		258	32
Transfers from level 2 : Valuation based on observable data	1,085	224		861
Transfers from level 3 : Valuation based on unobservable data	416		416	
Total transfers to each level	**1,791**	**224**	**674**	**893**

Level 2 to Level 1 transfers mainly involve bonds whose characteristics meet the criteria specified for Level 1.
Level 2 to Level 3 transfers mainly involve interest rate derivatives.

€ million	**Total 31.12.2013 Restated**	Quoted prices in active markets for identical instruments: **Level 1**	Valuation based on observable data: Level 2 **Level 2**	Valuation based on unobservable data: Level 3 **Level 3**
Financial assest held for trading	**308,777**	**45,038**	**259,622**	**4,117**
Loans and receivables due from customers	358			358
Securities bought under repurchase agreement	90,608		90,608	
Securities held for trading	45,015	44,992	6	17
Treasury bills and similar items	*34,939*	*34,933*	*6*	
Bonds and other fixed-income securities	*6,728*	*6,711*		*17*
Equities and other variable-income securities	*3,348*	*3,348*		
Derivative instruments	172,796	46	169,008	3,742
Financial assets designated at fair value through profit or loss	**1,227**		**1,087**	**140**
Loans and receivables due from credit institutions	1,087		1,087	
Securities designated at fair value through profit and loss	140			140
Equities and other variable-income securities	*140*			*140*
Available-for-sale financial assets	**27,750**	**26,440**		**1,310**
Treasury bills and similar items	14,838	14,838		
Bonds and other fixed-income securities	11,959	11,223		736
Equities and other variable-income securities	953	379		574
Hedging derivative instruments	**1,396**		**1,396**	
Total financial assets measured at fair value	**339,150**	**71,478**	**262,105**	**5,567**
Transfers from level 1 : Quoted prices in active markets for identical instruments	120		120	
Transfers from level 2 : Valuation based on observable data	7,527	3,769		3,758
Transfers from level 3 : Valuation based on unobservable data	72		72	
Total transfers to each level	**7,719**	**3,769**	**192**	**3,758**

■ Financial liabilities measured at fair value

Amounts presented below include accruals.

€ million	**Total 31.12.2014**	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	**328,796**	**36,152**	**288,213**	**4,431**
Securities sold short	34,876	34,829	46	1
Securities sold under repurchase agreements	77,315		77,311	4
Debt securities				
Derivative instruments	216,605	1,323	210,856	4,426
Financial liabilities designated at fair value through profit or loss	**27,143**		**20,479**	**6,664**
Hedging derivative instruments	**1,086**		**1,067**	19
Total financial liabilities measured at fair value	**357,025**	**36,152**	**309,759**	**11,114**
Transfers from level 1 : Quoted prices in active markets for identical instruments	46		46	
Transfers from level 2 : Valuation based on observable data	1,581	175		1,406
Transfers from level 3 : Valuation based on unobservable data	474		474	
Total transfers to each level	**2,101**	175	**520**	**1,406**

Level 2 to Level 3 transfers mainly involve interest rate derivatives and liabilities designated as at fair value through profit or loss with a Level 3 embedded derivative.

€ million	**Total 31.12.2013 Restated**	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	**290,984**	**30,255**	**255,785**	**4,944**
Securities sold short	30,247	30,247		
Securities sold under repurchase agreements	87,214	1	87,213	
Debt securities				
Derivative instruments	173,523	7	168,572	4,944
Financial liabilities designated at fair value through profit or loss	**31,656**		**26,437**	**5,219**
Hedging derivative instruments	**787**		**787**	
Total financial liabilities measured at fair value	**323,427**	**30,255**	**283,009**	**10,163**
Transfers from level 1 : Quoted prices in active markets for identical instruments				
Transfers from level 2 : Valuation based on observable data	8,004			8,004
Transfers from level 3 : Valuation based on unobservable data	79		79	
Total transfers to each level	**8,083**		**79**	**8,004**

Level 1 comprises all derivatives quoted in an organized market (options, futures, etc.), regardless of their underlying (interest rate, exchange rate, precious metals, key stock indices), as well as equities and bonds quoted in an active market.

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.

Corporate and government bonds and agencies that are valued on the basis of prices obtained from independent sources considered as executable and regularly updated are classified in Level 1. This covers all sovereign, agency and corporate bonds held. Issuers whose bonds are not listed are classified in Level 3.

Financial instruments classified in Level 2

The main financial instruments classified in Level 2 are:

- Liabilities designated at fair value through profit or loss
- Financial liabilities designated at fair value through profit or loss are classified in Level 2 when their embedded derivative is deemed to be classified in Level 2.
- Over-The-Counter derivatives

The main OTC derivatives classified in Level 2 are those valued using inputs considered to be observable and for which the valuation technique does not generate any significant exposure to a model risk.

Level 2 therefore mainly includes:

- Linear derivative products such as interest rate swaps, currency swaps and forward FX. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates), or inputs that can be derived from observable market prices (currency swaps);
- Non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and credit default swaps, including digital options. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates, share prices) or inputs that can be derived from observable market prices (volatilities).
- Simple exotic single-underlying instruments such as cancellable swaps, currency baskets of major currencies. They are valued using models that are sometimes slightly more complex but still widely used in the market. The inputs are mainly observable inputs and observable market prices, obtained notably from brokers and/or market consensus data, which can be used to corroborate internal valuations.
- securities listed on a market deemed inactive but for which independent valuation data is nevertheless available.

Financial instruments classified in Level 3 are those which do not meet the conditions for classification in Level 1 or 2. They are therefore mainly financial instruments with a high model risk or whose valuation requires the use of substantial unobservable inputs.

The initial margin on all new transactions classified in Level 3 is reserved on the initial recognition date. It is reincorporated in net income either progressively over the unobservability period or one-off when all inputs become observable.

Level 3 therefore mainly comprises:

- Securities

  Level 3 securities are mainly:

  - unquoted equities or bonds for which no independent valuation is available;
  - ABS and CLO for which an independent valuation is available but not necessarily executable ;
  - ABS, CLO, CDO super senior and mezzanine tranches for which the active nature of the market is not proved.
- Liabilities designated at fair value through profit or loss

  Liabilities designated at fair value through profit or loss are classified in Level 3 when their embedded derivative is considered to be classified in Level 3.
- OTC derivatives

  Products that are not observable due to their underlying: some instruments, which are mostly classified in Level 2, may be considered to fall within Level 3 due to their underlying currency or maturity. An observability table defines the maximum maturity considered to be observable for each instrument/currency pair. Observability is a function of the input's liquidity and the availability of observable sources enabling its valuation.

Level 3 mainly comprises:

- exposures to interest rates or currency swaps with a very long maturity;
- exposures to equities, mainly products on optional markets insufficiently liquid or products indexed on volatility and forward contracts with long maturity;
- exposures to non-linear (interest rate or forex) instruments with a long maturity on key currencies/indices. It also includes vanilla options and simple exotic derivatives such as cancellable swaps;
- non-linear exposures to emerging market currencies.
- Complex derivatives are classified in Level 3 as their valuation requires the use of unobservable inputs. The main exposures involved are:
- products whose underlying is the difference between two interest rates, such as options, binary options or exotic products. These products are based on a correlation between the two rates, which is considered to be unobservable due to reduced liquidity. The valuation of these exposures is nonetheless adjusted at the month-end on the basis of correlation levels derived from market consensus data;
- products whose underlying is the forward volatility of an index (Euribor, spread, CMS). These products are deemed unobservable as there is significant model risk and their thin liquidity prevents regular accurate estimates of inputs ;
- Securitisation swaps generating an exposure to the prepayment rate. The prepayment rate is determined on the basis of historical data on similar portfolios. The assumptions and inputs used are regularly checked on the basis of actual prepayments;
- Long-term hybrid interest rate/forex products, such as Power Reverse Dual Currency notes, which mainly involve the USD/JPY currency pair or instruments whose underlying is a basket of currencies. The correlation parameters between interest rates and currencies as well as between the two interest rates are determined using an internal methodology based on historical data. Results are cross-checked against market consensus data to ensure that the overall method is coherent;
- Multiple-underlying instruments generating an exposure to correlations, regardless of the underlyings concerned (interest rates, credit, forex, inflation). This category includes cross-asset instruments such as dual range, emerging market currency baskets, Credit Default baskets. Correlations are determined conservatively as a function of the bank's aggregate exposure, based on historical data. If the diversity of correlations is high, exposures to each of them remain measured.
- Equity correlation and equity hybrid products, whose pay-off depends on the performance of shares or of indexes of a basket (that may not only consist of shares but also other instruments such as commodities indexes). The valuation of these products is sensitive to the correlation between the basket components ; their classification in Level 3 is determined by their maturity, their hybrid nature and the composition of the underlying basket.
- Derivative instruments with interest rate underlyings whose coupon is indexed to the forward volatility (also called "Vol Bonds")
- CDOs based on corporate credit baskets. The valuation model for these products uses both observable inputs (CDS prices) and unobservable inputs (default correlations). For the least liquid Senior tranches, the bank has introduced valuation inputs that are tailored to its assessment of the intrinsic risk of these

exposures. Market risk of the CDO derivatives book was sold to a fund managed by Blue Mountain Capital in 2012.

- Market risk on complex equity derivatives portfolios was transferred to a counterparty outside the Group at 31 December 2013.

For most of these products, the table below shows the valuation techniques and the main unobservable inputs with their value interval.

Category	Carrying amount (€m)		Main product types comprising Level 3	Valuation technique used	Valuation technique used	Unobservable data interval
	Assets	Liabilities				
Interest rate derivatives	2,428	3,631	Long-dated cancellable products (cancellable swaps, cancellable zero coupon swaps)	Interest rate options valuation method	Forward volatility	
			Options on interest rate differentials		CMS correlations	0% / 100%
			Securitisation swaps	Prepayment modelling and discounted future cash flows	Prepayment rate	0% / 50%
			Long-dated hybrid interest rate/exchange rate products (PRDC)	Interest rate /FX hybrid instrument valuation model	interest rate/interest rate correlation	50% / 80%
					interest rate/FX correlation	-50% / 50%
			Multiple-underlying products (dual range, etc.)	Multiple-underlying product valution model	FX/Equity correlation	-50% / 75%
					FX/FX correlation	-20% / 50%
					Interest rate/Equity correlation	-25% / 75%
					interest rate/interest rate correlation	-10% / 100%
					interest rate/FX correlation	-75% / 75%
Credit derivatives	502	539	CDOs indexed to corporate credit baskets	Correlation projections techniques and expected cash flows modelling	Default correlations	50% / 90%

Net changes in financial instruments measured at fair value according to level 3

■ Financial assets measured at fair value according to level 3

€ million	Total	Financial assets held for trading				Financial assets designated at fair value through profit or loss			Available-for-sale financial assets			
		Loans and receivables due from customers	Securities held for trading	Bonds and other fixed income securities	Derivative instruments	Securities designated at fair value through profit or loss	Bonds and other fixed-income securities	Equities and other variable-income securities	Available-for-sale financial assets	Bonds and other fixed income securities	Equities and other variable-income securities	Hedging derivatives instruments
Opening balance (01.01.2014 restated)	**5,567**	**358**	**17**	**17**	**3,742**	**140**		**140**	**1,310**	**736**	**574**	
Gains or losses for the period	(72)	75	103	103	(409)	(13)	(13)		78	(1)	79	94
Recognised in profit and loss	*(252)*	*75*	*103*	*103*	*(409)*	*(13)*	*(13)*		*(8)*	*(1)*	*(7)*	
Recognised in other comprehensive	*86*								*86*		*86*	
Purchases	239		195	195	40				4		4	
Sales	(317)	(172)	(28)	(28)	(17)				(100)		(100)	
Issues												
Settlements	(943)				(222)				(721)	(721)		
Reclassifications							140	(140)				
Change associated with scope for the period	(3)								(3)		(3)	
Transfers	477		400	400	45				32		32	
Transfers to level 3	*893*		*418*	*418*	*443*				*32*		*32*	
Transfers out of level 3	*(416)*		*(18)*	*(18)*	*(398)*							
Closing balance (31.12.2014)	**4,948**	**261**	**687**	**687**	**3,179**	**127**	**127**		**600**	**14**	**586**	**94**

■ Financial liabilities measured at fair value according to level 3

€ million	Total	Financial liabilities held for trading			Financial liabilities designated at fair value through profit or loss	Hedging derivatives instruments
		Securities sold short	Securities sold under repurchase agreements	Derivative instruments		
Opening balance (01.01.2014 restated)	**10,163**			**4,944**	**5,219**	
Gains or losses	(754)	14		(454)	(333)	19
Accounted in profit and loss	*(754)*	*14*		*(454)*	*(333)*	*19*
Accounted in other comprehensive						
Purchases	1,821		4	55	1,762	
Sales	(643)	(13)		(34)	(596)	
Issues						
Settlements	(405)			(252)	(153)	
Reclassifications						
Transfers	932			167	765	
Transfers to level 3	*1,406*			*518*	*888*	
Transfers out of level 3	*(474)*			*(351)*	*(123)*	
Closing balance (31.12.2014)	**11,114**	**1**	**4**	**4,426**	**6,664**	**19**

The net change in fair value of assets and liabilities classified in Level 3 amounts to -€1,570 million at 31 December 2014 and comprises the following:

- Change in gains and losses of the period for +€682 million
- Net purchases of -€1,256 million
- Net settlements for -€538 million, largely linked to the deleveraging plan in respect of interest rate activities in run-off
- Net transfers of financial instruments in the amount of -€455 million, of which +€400 million related to assets or liabilities recognised as held for trading, -€765 million related to financial liabilities designated at fair value through profit or loss and -€122 million related to Derivative financial instruments held for trading.

The fair value amount (and variation) on these products alone is not however representative. Indeed, these products are largely hedged by others, simpler and individually valued, using data considered as observable. The valuations (and variations) of these hedging instruments, largely symmetrical with those of instruments valued on the basis of data considered as non-observable, do not appear in the table above.

■ Sensitivity analysis for financial instruments measured using a level 3 valuation model

The use of unobservable inputs introduces uncertainty, which we have assessed below using a sensitivity calculation on instruments valued using these inputs.

Regarding interest-rate derivatives, two key inputs are considered to be unobservable, and hence require instruments valued on them to be classified in Level 3: correlation and prepayment rates (i.e. early repayment).

- Correlation

Many instruments are sensitive to a correlation input. However, this input is not unique and there are many different types of correlation, including:

- Forward correlation between two successive indices in the same currency : e.g. 2-year CMS / 10-year CMS;
- Interest rate/interest rate correlation (different indices): e.g. Libor 3M USD/Libor 3M EUR;
- Interest rate/forex correlation (or Quanto): e.g. USD/JPY – USD;
- Equity/equity correlation;
- Equity/forex correlation;
- Equity/interest rate correlation;
- Forex/forex correlation.

Exposure to correlations from discontinuing activities, traditionally the biggest contributors, has declined sharply due to deleveraging and changing market conditions. As a result, the biggest source of correlation exposure is now cross asset business.

- Prepayment rate

The prepayment rate is the rate of early repayment on securitisation portfolios, whether voluntary or involuntary (default). As the nominal amount of securitisation swaps is adjusted automatically to the nominal amount of the underlying portfolio, with no mark-to market payment, the prepayment rate plays a significant part in their valuation.

However, although this input is not observable, the valuation model used is extremely conservative. The valuation used is defined as the lower of the valuation obtained using the fastest prepayment rate and that obtained using a slower than expected prepayment rate. A «normal» variation in the prepayment rate will therefore have no material impact on the valuation.

The results presented below have been obtained by applying the following shocks:

- Correlations between successive indices in the same currency (i.e. CMS correlations): 3%
- Cross-asset correlations (e.g. Equity/forex or IR/Equity) and between two interest-rate curves in different currencies: 5%

The result of the stress test is then obtained by adding up the absolute values obtained. For each correlation type, we took the absolute values by currency and by book, therefore assuming that the correlations were not correlated among themselves. For the CMS correlations, we considered the various underlyings independently (e.g. 1y10y, 2y10y).

At 31 December 2014, sensitivity to parameters used in the interest rate derivatives models therefore came to +/- €7.1 million, down slightly on 30 June 2014 (+/- €7.9 million) and substantially on 31 December 2013 (€14.4 million). More of this was attributable to a near €5.2 million from the strong reduction of the CMS Correlation Euro position and a €2.6 million cut in exposure on the long-terme FX book. Impacts on the other scopes are significantly more reduced, in particular on the cross asset book.

The main contributory factors are:

- Cross asset : €4 million (€1.2 million at 31/12/2013)
- Long Term FX: €0.9 million (vs. €3.5 million)
- Legacy Rates: €0.9 million (vs. €6.2 million)
- Structured USD: €0.8 million (vs €0.1 million)

The contributions of the other scopes are relatively low.

The scope excluding interest rate derivatives involves securitisations such as RMBS, CLO and mezzanine CDO tranches: the extent of uncertainty taken into account through an impact of 1 bp on credit spreads.

At 31 December 2014, sensitivity to inputs used to value these products was virtually nil.

10.3 Estimated impact of inclusion of the margin at inception

€ million	31.12.2014	31.12.2013 Restated
Deferred gains at January, 1st	**62**	**102**
Deferred gains generated by new transactions during the period	26	15
Recognised in income during the period		
Amortisation and cancelled/redeemed/expired transactions	(23)	(55)
Effect of parameters or products that became observable during the period		
Deferred margin at the end of the period	**65**	**62**

NOTE 11: MAIN IMPACT RELATED TO THE APPLICATION OF NEW CONSOLIDATION STANDARDS (IFRS 10, IFRS 11, IFRS 12)

The impact of the IFRS 10 first-time application is the inclusion into the scope of consolidation of two multi-seller ABCP conduits (LMA and Atlantic) and of 16 SPV designed to refinance on the market securitisation transactions on behalf of customers, in Europe and the United States.

The change in consolidation method related to IFRS 11 and amended IAS 28 first-time application results in accounting in a single line of the balance sheet, income statement and of other comprehensive income, the share of the interests held in these entities. The application of this standard being retrospective, data as of 01 January 2013 and 31 December 2013 relating to UBAF, Elipso and Newedge are restated.

Income statement

Impacts of change in method related to new consolidation standards at 31 December 2013

€ million	31.12.2013 Restated	IFRS 10 Impact	IFRS 11 Impact	31.12.2013 published
Interest and similar income	4,799	60	(26)	4,765
Interest and similar expenses	(2,744)	(61)	13	(2,696)
Fee and commission income	1,498	25	(2)	1,475
Fee and commission expenses	(524)	(23)		(501)
Net gains (losses) on financial instruments at fair value through profit or loss	722			722
Net gains (losses) on available-for-sale financial assets	15		0	15
Income on other activities	64		(2)	66
Expenses on other activities	(75)		0	(75)
NET BANKING INCOME	**3,755**	1	**(17)**	**3,771**
Operating expenses	(2,689)	(1)	18	(2,706)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(91)		0	(91)
GROSS OPERATING INCOME	**975**	0	**1**	**974**
Cost of risk	(516)		13	(529)
NET OPERATING INCOME	**459**	0	**14**	**445**
Share of net income of equity-accounted entities	124		9	115
Net income on other assets	1		(18)	19
Change in value of goodwill	-	0	0	0
PRE-TAX INCOME	**584**	0	**5**	**579**
Income tax charge	(153)			(153)
Net income from discontinued or held-for-sale activities	156		0	156
NET INCOME	**587**	0	**5**	**582**
Non-controlling interests	22			22
NET INCOME - GROUP SHARE	**565**	0	**5**	**560**
Basic earnings per share (in €)	2.10	0.00		2.08
Diluted earnings per share (in €)	2.10	0.00		2.08

Net income and other comprehensive income

■ Impacts of change in method related to new consolidation standards at 31 December 2013

€ million	31.12.2013 Restated	IFRS 10 Impact	IFRS 11 Impact	31.12.2013 published
Net Income	**587**		**5**	**582**
Actuarial gains (losses) on post-employment benefits	27			27
Gains (losses) on non-current assets held-for-sale	0			
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding equity-accounted entities	**27**			**27**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities	**0**			
Income tax related to items that will not be reclassified to profit and loss excluding equity-accounted entities	**(11)**			**(11)**
Income tax related to items that will not be reclassified to profit and loss on equity-accounted entities	**0**			
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax	**16**			**16**
Gains (losses) on currency translation adjustment	(88)		58	(146)
Gains (losses) on available for-sale-assets	10			10
Gains (losses) on hedging derivative instruments	(416)		(76)	(340)
Gains (losses) on non-current assets held-for-sale	34			34
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding equity-accounted entities	**(460)**		**(18)**	**(442)**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on equity-accounted entities, Group share	**(82)**		**18**	**(100)**
Income tax related to items that may be reclassified to profit and loss excluding equity-accounted entities	**126**		**(1)**	**127**
Income tax related to items that may be reclassified to profit and loss on equity-accounted entities	**1**		**1**	
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax	**(415)**		**0**	**(415)**
Other comprehensive income net of income tax	**(399)**		**0**	**(399)**
Net income and other comprehensive income	**188**		**5**	**183**
of which non-controlling interests	64			64
of which Group share	124		5	119

Balance sheet – Assets

■ Impacts of change in method related to new consolidation standards at 31 December 2013

€ million	31.12.2013 restated	IFRS 10 Impact	IFRS 11 Impact	31.12.2013 published
Cash, due from central banks	56,168		(33)	56,201
Financial assets at fair value through profit or loss	310,004	(289)	8	310,285
Hedging derivative instruments	1,396		(4)	1,400
Available-for-sale financial assets	27,750		(59)	27,809
Loans and receivables due from credit institutions	39,583	347	(600)	39,836
Loans and receivables due from customers	109,974	7,935	101	101,938
Revaluation adjustment on interest rate hedged portfolios	23			23
Held-to-maturity financial assets				
Current and deferred tax assets	1,502			1,502
Accruals, prepayments and sundry assets	39,621	5	3	39,613
Non-current assets held for sale	268		(24,189)	24,457
Investments in affiliates	1,573		201	1,372
Investment property				
Property, plant and equipment	395		(1)	396
Intangible assets	153		(1)	154
Goodwill	953			953
TOTAL ASSETS	**589,363**	**7,998**	**(24,574)**	**605,939**

■ Impacts of change in method related to new consolidation standards at 1st January 2013

€ million	01.01.2013 Restated	IFRS 10 Impact	IFRS 11 Impact	01.01.2013 published
Cash, due from central banks	37,259		(246)	37,505
Financial assets at fair value through profit or loss	360,583		(3,129)	363,712
Hedging derivative instruments	1,833		(9)	1,842
Available-for-sale financial assets	30,054	50	(80)	30,084
Loans and receivables due from credit institutions	54,703	(17)	(10,876)	65,596
Loans and receivables due from customers	123,048	8,090	(7,550)	122,508
Revaluation adjustment on interest rate hedged portfolios	33			33
Held-to-maturity financial assets				
Current and deferred tax assets	2,325		(29)	2,354
Accruals, prepayments and sundry assets	47,461	5	(1,700)	49,156
Non-current assets held for sale	3,858			3,858
Investments in affiliates	1,966		597	1,369
Investment property				
Property, plant and equipment	435		(31)	466
Intangible assets	143		(16)	159
Goodwill	958			958
TOTAL ASSETS	**664,659**	**8,128**	**(23,069)**	**679,600**

Balance sheet – Liabilities and shareholders' equity

■ Impacts of change in method related to new consolidation standards at 31 December 2013

€ million	31.12.2013 Restated	IFRS 10 Impact	IFRS 11 Impact	31.12.2013 published
Due to central banks	2,036			2,036
Financial liabilities at fair value through profit and loss	322,640		22	322,618
Hedging derivative instruments	787		(1)	788
Due to credit institutions	58,034	(38)	(337)	58,409
Due to customers	107,341	(7,278)	(31)	114,650
Debt securities	41,126	15,305	(11)	25,832
Revaluation adjustment on interest rate hedged portfolios	47			47
Current and deferred tax liabilities	482		(1)	483
Accruals, deferred income and sundry liabilities	34,922	9	(6)	34,919
Liabilities associated with non-current assets held for sale			(24,189)	24,189
Insurance company technical reserves	11			11
Provisions	1,362		(14)	1,376
Subordinated debt	5,162			5,162
Total liabilities	**573,950**	**7,998**	**(24,568)**	**590,520**
Equity				
Equity, Group share	15,303		(6)	15,309
Share capital and reserves	8,160			8,160
Consolidated reserves	6,244		(11)	6,255
Other comprehensive income	353			353
Other comprehensive income on non-current assets held for sale	(19)			(19)
Net income/(loss) for the period	565		5	560
Non-controlling interests	110			110
Total equity	**15,413**		**(6)**	**15,419**
TOTAL EQUITY AND LIABILITIES	**589,363**	**7,998**	**(24,574)**	**605,939**

■ Impacts of change in method related to new consolidation standards at 1st January 2013

€ million	01.01.2013 Restated	IFRS 10 Impact	IFRS 11 Impact	31.12.2013 published
Due to central banks	1,057			1,057
Financial liabilities at fair value through profit and loss	386,005		(1,155)	387,160
Derivative hedging instruments	1,060		(3)	1,063
Due to credit institutions	54,391		(4,369)	58,760
Due to customers	105,505	(6,135)	(9,521)	121,161
Debt securities	45,275	14,173		31,102
Revaluation adjustment on interest rate hedged portfolios	109			109
Current and deferred tax liabilities	531		(16)	547
Accruals, deferred income and sundry liabilities	44,244	90	(7,929)	52,083
Liabilities associated with non-current assets held for sale	3,718		167	3,551
Insurance company technical reserves	11			11
Provisions	1,322		(37)	1,359
Subordinated debt	5,775		(195)	5,970
Total liabilities	**649,003**	**8,128**	**(23,058)**	**663,933**
Equity				
Equity, Group share	15,120		(11)	15,131
Share capital and reserves	8,160			8,160
Consolidated reserves	6,574		(11)	6,585
Other comprehensive income	824			824
Other comprehensive income on non-current assets held for sale	(49)			(49)
Net income/(loss) for the period	(389)			(389)
Non-controlling interests	536			536
Total equity	**15,656**		**(11)**	**15,667**
TOTAL EQUITY AND LIABILITIES	**664,659**	**8,128**	**(23,069)**	**679,600**

Cash flow statement

Impacts of change in method related to new consolidation standards at 31 December 2013

€ million	31.12.2013 Restated	IFRS 10 Impact	IFRS 11 Impact	31.12.2013 published
Pre-tax income	**584**		**5**	**579**
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	91			91
Impairment of goodwill and other fixed assets				
Net depreciation charges to provisions	416		(13)	429
Share of net income (loss) of equity-accounted entities	(124)		(9)	(115)
Net income (loss) on investment activities	86		19	67
Net income (loss) on financing activities	240		(8)	248
Other movements	(1,471)			(1,471)
Total non-cash and other adjustment items included in pre-tax income	**(762)**		**(11)**	**(751)**
Change in interbank items	(807)		132	(939)
Change in customer items	18,506	(1,558)	159	19,905
Change in financial assets and liabilities	(12,576)	1,635	(35)	(14,176)
Change in non-financial assets and liabilities	(2,611)	(80)	(2)	(2,529)
Dividends received from equity-accounted entities	11		6	5
Tax paid	666		(4)	670
Net increase (decrease) in assets and liabilities used in operating activities	**3,189**	(3)	**256**	**2,936**
Cash provided (used) by discontinued activities	(160)		(50)	(110)
TOTAL net cash flows from (used by) OPERATING activities (A)	**2,851**	(3)	**200**	**2,654**
Change in equity investments	(48)	2		(50)
Change in property, plant and equipment and intangible assets	(86)		(26)	(60)
Cash provided (used) by discontinued activities	387		5	382
TOTAL net cash flows from(used by) INVESTMENT activities (B)	**253**	2	**(21)**	**272**
Cash received from (paid to) shareholders	(430)			(430)
Other cash provided (used) by financing activities	(598)		8	(606)
Cash provided (used) by discontinued activities	2		9	(7)
TOTAL net cash flows from (used by) FINANCING activities (C)	**(1,026)**		**17**	**(1,043)**
Impact of exchange rate changes on cash and cash equivalents (D)	**(2,892)**		**52**	**(2,944)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	**(814)**	(1)	**248**	**(1,061)**
Opening cash and cash equivalents	**49,494**	13	**(2,330)**	**51,811**
Net gain (losses) on cash and central banks (assets and liabilities)	36,199		(246)	36,445
Net gain (losses) on interbank sight balances (assets and liabilities)	13,295	13	(2,084)	15,366
Closing cash and cash equivalents	**48,680**	13	**(2,083)**	**50,750**
Net gain (losses) on cash and central banks (assets and liabilities)	54,127		(37)	54,164
Net gain (losses) on cash and central banks (assets and liabilities)	(5,447)	13	(2,046)	(3,414)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(814)**		**247**	**(1,061)**

NOTE 12 : SCOPE OF CONSOLIDATION AT 31 DECEMBER 2014

12.1 Information on subsidiaries

12.1.1 Restrictions on controlled entities

Crédit Agricole CIB is subject to the following restrictions:

Regulatory constraints

The subsidiaries of CACIB are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to CACIB.

Legal constraints

The subsidiaries of CACIB are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements lim it the ability of the subsidiaries to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

Other constraints

A subsidiary of Crédit Agricole CIB, Crédit Agricole CIB Algérie, is required to obtain prior approval for the payment of dividends from their prudential authorities (namely the Banque d'Algérie).

12.1.2 Support for controlled structured entities

Crédit Agricole CIB has contractual arrangements with some consolidated structured entities that equate to commitments to provide financial support.

To meet its funding needs Crédit Agricole CIB uses structured debt issuance vehicles to raise cash on financial markets. Securities issued by these entities are fully underwritten by Crédit Agricole CIB. At 31 December 2014, the outstanding volume of these issues was €9 billion.

As part of its third-party securitisation business, Crédit Agricole CIB provides liquidity lines to its ABCP conduits (see Note 1.1 for more detail). At 31 December 2014, these liquidity lines totalled €21.9 billion.

12.2 Composition of the consolidation group

The scope of consolidation at 31 december 2014 is detailed as follows:

Credit Agricole CIB Group Scope of consolidation	(a)	Location	Country of incorporation if different from location	Nature of entity and control	Consolidation method 31 December 2014	% control		% interest	
						31.12.2014	31.12.2013	31.12.2014	31.12.2013
Parent company and its branches									
Crédit Agricole CIB S.A.		France		Parent company	Parent	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Dubai)	D3	United Arab Emirates	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Dubai DIFC)	D3	United Arab Emirates	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Abu Dhabi)	D3	United Arab Emirates	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (South Korea)		South Korea	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Spain)		Spain	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (India)		India	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Japan)		Japan	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Singapore)		Singapore	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Great Britain)		Great Britain	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Hong-Kong)		Hong-Kong	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (United-States)		United States	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Cayman Islands)	D3	Cayman Islands	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Chicago)	D3	United States	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Taipei)		Taiwan	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Luxembourg)		Luxembourg	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Finland)		Finland	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Vietnam)		Vietnam	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Germany)		Germany	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Sweden)		Sweden	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Italy)		Italy	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agriciole CIB (Belgium)		Belgium	France	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB (Miami)		United States	France	Branch	full	100.00	100.00	100.00	100.00
Banking and financial institutions									
Banco Crédit Agricole Brasil S.A.		Brazil		Subsidiary	full	100.00	100.00	100.00	100.00
Banque Saudi Fransi - BSF		Saudi Arabia		Associate	equity	31.11	31.11	31.11	31.11
Crédit Agricole CIB Algérie Bank Spa		Algeria		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB Australia Ltd.		Australia		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB China Ltd.		China		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB Services Private Ltd.		India		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB ZAO Russia		Russia		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Luxembourg		Luxembourg		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Luxembourg (Spain)		Espagne	Luxembourg	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole Luxembourg (Belgium)		Belgium	Luxembourg	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole Switzerland		Switzerland		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Switzerland (Hong-Kong)		Hong-Kong	Switzerland	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole Switzerland (Singapour)		Singapore	Switzerland	Branch	full	100.00	100.00	100.00	100.00
Crédit Agricole Switzerland (Bahamas) Ltd.		Bahamas		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Foncier de Monaco		Monaco		Subsidiary	full	70.13	70.13	68.95	68.95
Finanziaria Indosuez International Ltd.		Switzerland		Subsidiary	full	100.00	100.00	100.00	100.00
Newedge	S2 - D4 - D6	France		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge Financial Singapore Pte Ltd.	S2 - D4 - D6	Singapore		Joint venture	equity	0.00	50.00	0.00	50.00
Altura Markets	S2 - D4 - D6	Spain		Joint venture	equity	0.00	50.00	0.00	25.00
Newedge Broker Hong-Kong Ltd.	S2 - D4 - D6	Hong-Kong		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge Financial Hong-Kong Ltd.	S2 - D4 - D6	Hong-Kong		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge Australia PTY Ltd.	S2 - D4 - D6	Australia		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge Representações Ltda.	S2 - D4 - D6	Brazil		Joint venture	equity	0.00	42.00	0.00	21.00
Newedge Canada Inc.	S2 - D4 - D6	Canada		Joint venture	equity	0.00	50.00	0.00	50.00
Citic Newedge Futures Corp, Ltd	S2 - D4 - D6	China		Joint venture	equity	0,00	42,00	0,00	21,00
Newedge UK Financial Ltd.	S2 - D4 - D6	Great Britain		Joint venture	equity	0,00	50,00	0,00	50,00

Credit Agricole CIB Group Scope of consolidation	(a)	Location	Country of incorporation if different from location	Nature of entity and control	Consolidation method 31 December 2014	% control		% interest	
						31.12.2014	31.12.2013	**31.12.2014**	31.12.2013
Cube Financial Holding Ltd.	S1 - D4 - D6	Great Britain		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge Broker India PTE Ltd.	S2 - D4 - D6	India		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge Japan Inc.	S2 - D4 - D6	Japan		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge USA LLC	S2 - D4 - D6	United States		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge Facilities Management Inc.	S2 - D4 - D6	United States		Joint venture	equity	0.00	50.00	0.00	50.00
Newedge (Dubai)	S2 - D4 - D6	United Arab Emirates	France	Joint venture	equity	0.00	50.00	0.00	50.00
Newedge (Hong-Kong)	S2 - D4 - D6	Hong-kong	France	Joint venture	equity	0.00	50.00	0.00	50.00
Newedge (Switzerland)	S2 - D4 - D6	Switzerland	France	Joint venture	equity	0.00	50.00	0.00	50.00
Newedge (Zurich)	S2 - D4 - D6	Switzerland	France	Joint venture	equity	0.00	50.00	0.00	50.00
Newedge (Francfort)	S2 - D3 - D4 - D6	Germany	France	Joint venture	equity	0.00	50.00	0.00	50.00
Newedge (Great Britain)	S2 - D3 - D4 - D6	Great Britain	France	Joint venture	equity	0.00	50.00	0.00	50.00
UBAF	D6	France		Joint venture	equity	47.01	47.01	47.01	47.01
UBAF (Japan)	D6	Japan	France	Joint venture	equity	47.01	47.01	47.01	47.01
UBAF (South Korea)	D6	South Korea	France	Joint venture	equity	47.01	47.01	47.01	47.01
UBAF (Singapore)	D6	Singapore	France	Joint venture	equity	47.01	47.01	47.01	47.01
CA Indosuez Private Banking		France		Subsidiary	full	100.00	100.00	100.00	100.00
CA Indosuez Gestion		France		Subsidiary	full	100,00	100,00	100,00	100,00
Ester Finance Titrisation		France		Subsidiary	full	100,00	100,00	100,00	100,00
Brokerage companies									
Crédit Agricole Securities (USA) Inc		United States		Subsidiary	full	100.00	100.00	100.00	100.00
Investment companies									
CA Brasil DTVM		Brazil		Subsidiary	full	100.00	100.00	100.00	100.00
Compagnie Française de l'Asie (CFA)		France		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB Air Finance S.A.		France		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Securities Asia BV		Netherlands		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Global Partners Inc.		United States		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole North America Inc.	S1	United States		Subsidiary	full	0.00	100.00	0.00	100.00
L.F. Investment Inc.		United States		Subsidiary	full	100.00	100.00	100.00	100.00
Indosuez CM II Inc.		United States		Subsidiary	full	100.00	100.00	100.00	100.00
L.F. Investment L.P.		United States		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole CIB Holdings Ltd.		Great Britain		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Private Banking		France		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Securities Asia BV (Tokyo)		Japan	Netherlands	Branch	full	100.00	100.00	100.00	100.00
Doumer Finance S.A.S.		France		Subsidiary	full	100.00	100.00	100.00	100.00
Fininvest		France		Subsidiary	full	98.32	98.31	98.32	98.31
Fletirec		France		Subsidiary	full	100.00	100.00	100.00	100.00
I.P.F.O.		France		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Securities Taiwan		Taiwan		Subsidiary	full	100.00	100.00	100.00	100.00
Insurance									
CAIRS Assurance S.A.		France		Subsidiary	full	100.00	100.00	100.00	100.00
Other									
CAL Conseil		Luxembourg		Subsidiary	full	99.99	99.99	99.99	99.99
Calixis Finance		France		Controlled structured entity	full	100.00	100.00	100.00	100.00
Calliope srl		Italy		Controlled structured entity	full	100.00	100.00	100.00	100.00
Calyce P.L.C.		Great Britain		Controlled structured entity	full	100.00	100.00	100.00	100.00
CLIFAP		France		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Asia Shipfinance Ltd.		Hong-kong		Subsidiary	full	99.99	99.99	99.99	99.99
Crédit Agricole CIB Finance (Guernsey) Ltd.		Guernsey		Controlled structured entity	full	99.90	99.90	99.90	99.90
Crédit Agricole CIB Financial Prod. (Guernsey) Ltd.		Guernsey		Controlled structured entity	full	99.90	99.90	99.90	99.90
Crédit Agricole CIB Financial Solutions		France		Controlled structured entity	full	99.60	99.76	99.60	99.76

Credit Agricole CIB Group Scope of consolidation	(a)	Location	Country of incorporation if different from location	Nature of entity and control	Consolidation method 31 December 2014	% control		% interest	
						31.12.2014	31.12.2013	31.12.2014	31.12.2013
Crédit Agricole CIB Global Banking		France		Subsidiary	full	100.00	100.00	100.00	100.00
DGAD International SARL		Luxembourg		Subsidiary	full	100.00	100.00	100.00	100.00
Semeru Asia Equity High Yield Fund	S2	Cayman Islands		Controlled structured entity	full	0.00	70.85	0.00	70.85
Himalia P.L.C.		Great Britain		Controlled structured entity	full	100.00	100.00	100.00	100.00
Immobilière Sirius S.A.		Luxembourg		Subsidiary	full	100.00	100.00	100.00	100.00
Indosuez Holding SCA II		Luxembourg		Controlled structured entity	full	100.00	100.00	100.00	100.00
Indosuez Management Luxembourg II		Luxembourg		Controlled structured entity	full	100.00	100.00	99.99	99.99
Island Refinancing Srl		Italy		Controlled structured entity	full	100.00	100.00	100.00	100.00
MERISMA		France		Controlled structured entity	full	100.00	100.00	100.00	100.00
Sagrantino Italy srl		Italy		Controlled structured entity	full	100.00	100.00	100.00	100.00
SCI La Baume		France		Subsidiary	full	100.00	100.00	100.00	100.00
CLSA Financial Products Ltd		Bermuda		Controlled structured entity	full	100.00	100.00	100.00	100.00
Benelpart		Belgium		Subsidiary	full	99.00	99.00	98.46	98.46
Financière des Scarabées		Belgium		Subsidiary	full	100.00	100.00	99.75	99.75
Lafina		Belgium		Subsidiary	full	100.00	100.00	98.80	98.80
Segemil		Luxembourg		Subsidiary	full	100.00	100.00	99.45	99.45
SNGI Belgium		Belgium		Subsidiary	full	100.00	100.00	100.00	100.00
Sococlabecq		Belgium		Subsidiary	full	100.00	100.00	98.80	98.80
Transpar	S4	Belgium		Subsidiary	full	0.00	100.00	0.00	99.52
TCB		France		Subsidiary	full	86.50	86.50	99.68	99.68
Armo-Invest		France		Subsidiary	full	100.00	100.00	99.45	99.45
Calciphos		France		Subsidiary	full	100.00	100.00	99.45	99.45
Miladim		France		Subsidiary	full	99.00	99.00	99.06	99.07
Molinier Finances		France		Subsidiary	full	100.00	100.00	98.66	98.68
SNGI		France		Subsidiary	full	100.00	100.00	100.00	100.00
Sofipac		Belgium		Subsidiary	full	99.00	99.00	99.45	99.45
Placements et réalisations immobilières (SNC)		France		Subsidiary	full	100.00	100.00	99.49	99.49
Crédit Agricole Leasing (USA) Corp.		United States		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole America Services Inc.		United States		Subsidiary	full	100.00	100.00	100.00	100.00
Crédit Agricole Private Banking Management Company	E2	Luxembourg		Subsidiary	full	100.00	0.00	100.00	0.00
Atlantic Asset Securitization LLC	D5	United States		Controlled structured entity	full	100.00	100.00	0.00	0.00
LMA SA	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
FIC-FIDC	D3	Brazil		Controlled structured entity	full	100.00	100.00	100.00	100.00
Héphaïstos EUR FCC	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Héphaïstos GBP FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Héphaïstos USD FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Héphaïstos Multidevises FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Eucalyptus FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Pacific USD FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Shark FCC	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Vulcain EUR FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Vulcain GBP FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00

Credit Agricole CIB Group Scope of consolidation	(a)	Location	Country of incorporation if different from location	Nature of entity and control	Consolidation method 31 December 2014	% control		% interest	
						31.12.2014	31.12.2013	**31.12.2014**	31.12.2013
FCT Cablage FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Vulcain USD FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Acieralliage EURO FCC	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Acieralliage USD FCC	D5	United States		Controlled structured entity	full	100.00	100.00	0.00	0.00
Pacific EUR FCC	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Pacific IT FCT	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
Triple P FCC	D5	France		Controlled structured entity	full	100.00	100.00	0.00	0.00
ESNI (compartiment Crédit Agricole CIB)	E2	France		Controlled structured entity	full	100.00	0.00	100.00	0.00
Elipso Finance S.r.l	D6	Italy		Joint venture	equity	50.00	0.00	50.00	0.00

(a) Inclusions (E) into the scope of consolidation:

E1 : Breach of thresold
E2 : Creation
E3 : Acquisition (including controlling interests)

Exclusions (S) from the scope of consolidation :

S1 : Discontinuation of business (including dissolution and liquidation
S2 : Sale to non-Group companies or deconsolidation following loss of control
S3 : Deconsolidated due to non-materiality
S4 : Merger or takeover
S5 : Transfer of all assets and liabilities

Other :

D1 : Change of company name
D2 : Change in consolidation method
D3 : First time listed in the Note on scope of consolidation
D4 : IFRS 5 entities
D5 : Inclusion into scope related to IFRS 10 application
D6 : Change in consolidation method in application of IFRS 11

(b) Nature of entity and control

Subsidiary
Controlled structured entity
Joint venture
Structured joint venture
Transaction in common
Associate
Structured associate
Branch

NOTE 13 : INVESTMENTS IN NON-CONSOLIDATED COMPANIES AND STRUCTURED ENTITIES

13.1 Investments in non-consolidated companies

These securities, recorded in the "Available-for-sale assets" portfolio are variable-income securities that represent a significant portion of the capital of the companies that issued them, and are intended to be held on an other-than-temporary basis.

At 31 December 2014, the main investments in non-consolidated companies for which the percentage of interests is greater than 20% and which have a significant net book value (see note 1.3 on accounting policies and principles) are the following:

€ million	31.12.2014		31.12.2013 Restated		Reason for non inclusion in the consolidation scope
	Net book value	% interest	Net book value	% interest	
Net book value of Investment in non-consolidated companies					
of which					
- BFO	43	100.00	43	100.00	no more activity
- CA Preferred Funding LLC	42	33.00	47	33.00	this structure, in which CACIB holds 33% of ordinary shares, is not consolidated because the issue of preferred shares is for Crédit Agricole S.A.
- CLTR	35	100.00	33	100.00	
- Financière Gallion 8 (Preferred shares)	36	100.00	38	100.00	
- Fundo a de Investimento	24	100.00	21	100.00	
- Indosuez Finance UK Limited	-	-	39	100.00	

13.2 Non-consolidated structured entities

Information on the nature and extent of interests held

At 31 December 2014, Crédit Agricole S.A. and its subsidiaries had interests in certain non-consolidated structured entities, the main characteristics of which are presented below on the basis of their type of activity:

■ Securitisation

Crédit Agricole CIB, is tasked with structuring securitisation vehicles through the purchase of trade or financial receivables. The vehicles fund such purchases by issuing multiple tranches of debt and equity investments, with repayment being linked to the performance of the assets in such vehicles.

Crédit Agricole CIB invests in and provides liquidity facilities to the securitisation vehicles it has sponsored on behalf of customers.

■ Structured finance

Crédit Agricole CIB is involved in special purpose asset acquisition entities. These entities may take the form of asset financing companies or lease financing companies. In structured entities, the financing is secured by the asset. The Group's involvement is often limited to the financing or to financing commitments.

■ Sponsored entities

Crédit Agricole CIB has sponsored non-consolidated structured entities in which it held no interest at 31 December 2014. Crédit Agricole CIB sponsors structured entities in the following instances:

- Crédit Agricole CIB is involved in establishing the entity and that involvement, which is remunerated, is deemed essential for ensuring the proper completion of transactions;
- Structuring takes place at the request of Crédit Agricole CIB and it is the main user thereof;
- Crédit Agricole CIB transfers its own assets to the structured entity;
- Crédit Agricole CIB is the manager;
- The name of a subsidiary or of the parent company of Crédit Agricole CIBis linked to the name of structured entity or to the financial instruments issued by it.

Gross income, mainly consisting of fee and commission income in the securitization and asset management business lines, from sponsored entities in which Crédit Agricole CIB did not hold an interest at 31 December 2014 amounted to €50 million.

Information on the risks related to interests

■ Financial support for structured entities

In 2014, Crédit Agricole CIB provides no financial support for non-consolidated structured entities.

At 31 December 2014, CACIB have no intention to provide financial support for non-consolidated structured entity.

■ Interests in non-consolidated structured sponsored entities by activities

Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information concerning these exposures is set out in Note 3.1 “Exposure to credit risk” and Note 3.2 “Market risk”. These are structured entities in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

€ million	31.12.2014			
	Securitisation		Structured Finance	
	Carrying amount	Maximum loss Maximum exposure to loss risk	Carrying amount	Maximum loss Maximum exposure to loss risk
Financial assets held for trading	1,216	1,270	118	118
Financial assets designated at fair value through profit or loss				
Available-for-sale financial assets	262	257	73	73
Loans and receivables	11,082	11,082	3,422	3,422
Held-to-maturity financial assets				
Total assets related to non-consolidated structured entities	**12,560**	**12,609**	**3,613**	**3,613**
Equity instruments				
Financial liabilities held for trading	984	20	7	7
Financial liabilities designated at fair value through profit or loss				
Debt	3,196		781	
Total liabilities related to non-consolidated structured entities	**4,180**	**20**	**788**	**7**
Commitments given		**13,140**		**771**
Financing commitments		13,116		531
Guarantee commitments		24		240
Others				
Provisions - Financing commitments				
Total off-balance sheet commitments net of provisions related to non-consolidated structured entities	**13,140**	**13,140**		**771**
Total balance sheet of non-consolidated structured entities	**15,072**		**4,369**	

Maximum exposure to loss risk

The maximum exposure to loss risk on financial instruments corresponds to the value recognised on the balance sheet, with the exception of option sale derivatives and credit default swaps for which the exposure corresponds to assets for the notional amount and to liabilities for the notional amount less the mark-to-market. The maximum exposure to loss risk on commitments given corresponds to the notional amount and the provision for commitments given in the amount recognised on the balance sheet.

■ NOTE 14 : EVENTS AFTER THE REPORTING PERIOD

No significant event occurred after the reporting period.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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

The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph dis- cussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby submit our report for the year ended 31

December 2014 on:

- our audit of Crédit Agricole Corporate and Investment Bank's consolidated financial statements as attached to this report,
- the substantiation of our opinion,
- the specific procedures and disclosures required by law.

The consolidated financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements and evaluating their overall presentation. We believe that the evidence we have collected is relevant and sufficient for the formation of our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated Group in accordance with the IFRS standards as adopted in the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Notes 1.1 and 1.4 to the consolidated financial statements, which describe, respectively the effects of the first application of IFRS 10 (consolidated financial statements), IFRS 11 (joint arrangements), IFRS 12 (Disclosures of interests in other entities) and IAS 28 revised (investments in associates and joint ventures).

II. SUBSTANTIATION OF OUR OPINION

Pursuant to the provisions of Article L.823-9 of the Code de Commerce [French Commercial Code] concerning the substantiation of our opinion, we bring to your attention the following items:

- The Group books impairment reserves to cover credit risks which are inherent to its business activities. We have reviewed the arrangements put in place by the Group to identify and evaluate these risks and to determine the amount of impairment it considers necessary, and we have verified that these accounting estimates were based on documented methods that complied with the principles described in note 1.3 to the consolidated financial statements.

- As stated in notes 1.3 and 10.2 to the financial statements, your Group uses internal models to the financial instruments' valuation based on unobservable data and to estimates of certain fair value adjustments of financial statements. Our work entailed reviewing the control system applied to the models used, the underlying assumptions and the methods for taking into account the risks associated with such instruments.
- As stated in notes 1.4, 6.16 and 6.18 to the financial statements, your Group carried out impairment tests on the goodwill value and on investments on joint ventures and associates. We examined the way in which these tests were carried out as well as the main parameters and hypotheses used, and we have checked the suitability of the way they are presented in the notes to the financial statements.
- The Group has made a number of other accounting estimates as explained in note 1.3 to the consolidated financial statements, notably regarding the valuation of non-consolidated equity securities, the pension provision and future employee benefits, reserves for operational risks, reserves for legal risks and deferred tax assets. Our work consisted of examining the methods and assumptions used and verifying that the resulting accounting estimates are based on documented methods in accordance with the principles described in note 1.3. to the financial statements.

Our assessments were made, taken as a whole, and therefore assisted us in reaching our unqualified opinion as expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We also carried out, in accordance with professional standards applicable in France, the specific verification, required by law, of information relating to the Group in the management report.

We are satisfied that the information is fairly stated and agrees with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 19 March 2015

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT
Catherine Pariset Emmanuel Benoist

ERNST & YOUNG ET AUTRES
Hassan Baaj Valérie Meeus

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PARENT-COMPANY FINANCIAL STATEMENTS

Approved by the Board of Directors in its meeting of 16 February 2015 and put to shareholders for their approval in the 30 April 2015 shareholders'meeting

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CRÉDIT AGRICOLE CIB (S.A.) FINANCIAL STATEMENTS

ASSETS

€ million	Notes	31.12.2014	31.12.2013
Cash money market and interbank items		**160,370**	**170,335**
Cash due from central banks		44,556	53,071
Treasury bills ans similar securities	4, 4.2, 4.3 and 4.4	45,819	47,645
Loans and receivables due from credit institutions	2	69,995	69,619
Loans and receivables due from customers	3.1, 3.2, 3.3 and 3.4	**145,633**	**135,338**
Portfolio securities		**33,558**	**28,725**
Bonds and other fixed income securities	4, 4.2, 4.3 and 4.4	24,789	23,174
Equities and other equity variable income securities	4 and 4.2	8,769	5,551
Fixed assets		**6,877**	**6,838**
Equity investments and other long-term equity investments	5, 5.1 and 6	720	571
Investments in subsidiaries and affiliates	5, 5.1 and 6	5,877	5,988
Intangible assets	6	161	152
Property, plant and equipment	6	119	127
Treasury shares		**0**	**0**
Accruals, prepayments and sundry assets		**305,242**	**272,075**
Other assets	7	85,179	74,349
Accruals and prepayments	7	220,063	197,726
Total assets		**651,680**	**613,311**

EQUITY AND LIABILITIES

€ million	Notes	31.12.2014	31.12.2013
Cash money markets and interbank items		**106,566**	**101,609**
Due to central banks		2,207	2,036
Due to credit institutions	9	104,359	99,573
Due to customers	10.1, 10.2 and 10.3	**132,714**	**151,746**
Debts securities	11	**47,947**	**40,927**
Accruals, deferred income and sundry liabilities		**345,326**	**299,746**
Other liabilities	12	125,733	107,079
Accruals and prepayments	12	219,593	192,667
Provisions and subordinated debt		**7,271**	**7,724**
Provisions	13	2,705	2,562
Subordinated debt	14	4,566	5,162
Fund for general banking risks (FGBR)		**105**	**105**
Equity (excluding FGBR)	15	**11,751**	**11,454**
Share capital		7,254	7,254
Share premium		906	906
Reserves		536	510
Revaluation adjustments			
Regulated provisions and investment subsidies			22
Retained earnings		1,737	2,240
Net income/(loss) for the year		1,318	522
Total equity and liabilities		**651,680**	**613,311**

OFF-BALANCE SHEET

€ million	31.12.2014	31.12.2013
Commitments given	**206,966**	**219,691**
Financing commitments	112,395	111,547
Commitments to credit institutions	10,639	14,850
Commitments to customers	101,756	96,697
Guarantee commitments [1]	57,633	64,599
Commitments to credit institutions	16,801	17,483
Commitments to customers	40,832	47,116
Commitments on securities	4,021	3,660
Other commitments given [2]	32,917	39,885
Commitments received	**147,548**	**155,813**
Financing commitments	25,638	50,114
Commitments to credit institutions	17,763	36,357
Commitments to customers	7,875	13,757
Guarantee commitments [2]	111,885	96,020
Commitments to credit institutions	4,131	5,480
Commitments to customers	107,754	90,540
Commitments on securities	4,488	5,783
Other commitments received	5,537	3,896

[1] Including €2,532 million commitments given to Crédit Agricole S.A at 31 December 2014.

[2] Including €781 million of guarantee commitments received from Crédit Agricole S.A. at 31 December 2014.

Off-balance sheet items: Other information

Foreign exchange transactions and amounts payable in foreign currency: note 18

Transactions involving forward financial instruments: notes 19, 19.1, 19.2 and 19.3

INCOME STATEMENT

€ million	Notes	31.12.2014	31.12.2013
Interest and similar income	20 and 21	5,161	4,009
Interest and similar expenses	20	(4,014)	(2,962)
Income from variable-income securities	21	617	362
Fee and commission income	22 and 22.1	1,043	896
Fee and commission expenses	22 and 22.1	(457)	(310)
Net gain/(loss) on trading book	23	1,190	1,154
Net gain/(loss) on investment portfolios	24	75	20
Other banking income		92	139
Other banking expenses		(54)	(60)
Revenues		**3,653**	**3,248**
Operating expenses		**(2,138)**	**(1,924)**
Personnal costs	25.1 and 25.2	(1,283)	(1,128)
Other operating expenses	25.3	(855)	(796)
Depreciation, amortization and impairement of property, plant and equipment and intangible assets		**(69)**	**(65)**
Gross operating income		**1,446**	**1,259**
Cost of risk	26	(159)	(463)
Net operating income		**1,287**	**796**
Net gain/(loss) on fixed assets	27	(69)	(314)
Pre-tax income on ordinary activities		**1,218**	**482**
Net extraordinary items		1	6
Income tax charge	28	77	34
Net allocation to FGBR and regulated provisions		22	
Net income for the financial year		**1,318**	**522**

NOTES TO THE PARENT-COMPANY FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES AND PRINCIPLES

Crédit Agricole CIB (SA) prepares its financial statements in accordance with French accounting standards applicable to banks in France.

The presentation of Crédit Agricole CIB's financial statements complies with CRB (Comité de la Réglementation Bancaire) regulation 91-01, as amended by CRC (Comité de la Réglementation Comptable) regulation 2000-03 relating to the preparation and publication of parent-company financial statements of companies governed by the CRBF (Comité de la Réglementation Bancaire et Financière) amended notably in 2010 by regulation ANC N° 2010-08 dated 7 October 2010 relative to the disclosure of credit institutions' parent-company financial statements.

The changes of the accounting policies and presentation of the financial statements compared to last year regard the following points:

Standards, amendments or interpretations	Date published by the French state	Date of first-time application: financial years from	Applicable in the Group
ANC recommendation relating to the measurement and recognition of retirement and similar benefit obligations in parent company and consolidated financial statements prepared under French GAAP	7 November 2013 N° 2013-02	By anticipation at 1st January 2013	Yes
ANC regulation on the chart of accounts for bodies undertaking collective investment with variable capital	14 January 2014 N° 2014-01	1st January 2014	No
ANC regulation related to financial companies' establishment	6 February 2014 N° 2014-02	1st January 2014	No
ANC regulation related to the chart of accounts	5 June 2014 N° 2014-03	16 October 2014	Yes
ANC Regulation related to the accounting classification of convertible bonds for the insurance sector	5 June 2014 N° 2014-04	1st January 2014	No
ANC regulation related to the accounting of fields and of royalties	2 October 2014 N° 2014-05	1st January 2015 or by anticipation at 1st January 2014	No
ANC regulation related to the accounting of framework of real estate open end investments undertakings	2 October 2014 N° 2014-06	1st January 2015 or by anticipation at 1st January 2014	No

The application of these new regulations did not have a material impact on the results and net assets of Crédit Agricole Corporate and Investment Bank over the period.

Loans and financing commitments

Loans and receivables to credit institutions, Crédit Agricole Group entities and customers are governed by Regulation 2002-03 of 12 December 2002, as amended, issued by the French Accounting Regulations Committee (Comité de la Réglementation Comptable CRC).

They are analysed based on their initial term or the type of receivables:

- current and term receivables, for credit institutions,
- current accounts, term accounts and term advances, for internal Crédit Agricole transactions,
- commercial and other receivables and sight accounts, for customers.

In accordance with regulatory requirements, the "customers" category also includes transactions with financial customers.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type (interbank, Crédit Agricole, customers).

In application of CRC Regulation 2009-03, fees and commissions received, as well as marginal transaction costs borne, are now amortised over the effective term of the credit. Accordingly, they are shown as part of the outstanding amount of the credit concerned.

Receivables are recognised initially at nominal value. Interest accrued on receivables is recognised in a receivables-related account and in the income statement.

The application of CRC Regulation 2002-03, as amended, concerning the accounting treatment of credit risk resulted in Crédit Agricole CIB recognising receivables with a risk of nonpayment in accordance with the following rules. The use of external and/or internal rating systems contributes to appraise the existence of a credit risk.

Restructured loans

Restructured loans are loans to counterparties experiencing financial difficulties such that the credit institutions decides to alter the initial characteristics of the contract (term, interest rate etc.) in order to enable the counterparties to honour their repayment schedules.

They consist of loans that are classified as in default and, since 1 January 2014, performing loans at the date they are restructured.

This excludes loans renegotiated for commercial reasons, with a view to developing or preserving a commercial relationship, and not due to the counterparties' insolvency problem.

The reduction of future flows granted to a counterparty, or the postponing of these flows as part of a restructuring, results in the recognition of a discount. It 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;
- and the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The discount recognised when a loan is restructured is recorded under cost of risk. Its amortisation then affects the interest margin.

Restructured loans are rated in accordance with Basel rules and are impaired on the basis of the estimated credit risk. They are individually impaired within 30 days of a missed payment.

Under the new definition above, restructured loans held by Crédit Agricole CIB as of 31 December 2014 amount to €4,701 million.

Doubtful and irrecoverable debts

Loans and advances of all kinds, even those that are guaranteed, are classified as doubtful if they carry an identified credit risk on an individual basis arising from one of the following events:

- loan or advance is at least:
  - six months in arrears for mortgage loans taken out by personal customers in France and the EU (three months for personal customers outside France and the EU);
  - six months in arrears for property leases taken out by personal customers in France and the EU (three months for personal customers outside France and the EU);
  - six months in arrears for loans to local authorities in France and the EU (three months for local authorities outside France and the EU);
  - three months in arrears for loans to central governments, regional governments and public-sector entities (all territories);
  - three months in arrears for all other loans (all territories);
- the borrower's financial position is such that an identified risk exists regardless of whether the loan or advance is in arrears,
- the bank and borrower are in legal proceeding.

For overdrafts, the length of arrears is beginning when the debtor has exceeded an authorised limit and has been made aware of this by the institution or when the debtor has been warned that its borrowings exceed an internal control limit set by the institution, or when the debtor has drawn amounts without an overdraft authorisation.

Under certain conditions, instead of using these criteria, the length of arrears may begin when the credit institution has requested that the debtor repay some or all of the overdraft.

Crédit Agricole CIB makes a distinction between doubtful and irrecoverable loans.

■ Doubtful loans

All doubtful loans which do not fall into the irrecoverable loans category are classified as doubtful loans;

■ Irrecoverable loans

Irrecoverable loans are those for which the prospects of recovery are highly impaired and which are likely to be written off in time.

In the case of doubtful loans, interest continues to be recognised so long as the receivable is deemed to be doubtful, but is no longer recognised after the loss has been transferred to irrecoverable loans.

Impairment resulting from individually assessed credit risk

Once a loan is classified as doubtful, an impairment charge is deducted from the asset in an amount equal to the probable loss. This impairment corresponds to the difference between the book value of the receivable and the present value of estimated future cash flows at the contractual interest rate, taking into account the counterparty's financial position, economic outlook and any collateral minus realisation costs.

For outstandings comprising minor receivables presenting similar characteristics, the counterparty-by-counterparty review may be replaced by a statistical estimate of projected losses.

Probable losses in respect of off-balance sheet items are covered by reserves on the liabilities side of the balance sheet.

Accounting treatment of impairment losses

Impairment losses and reversals of impairment losses for non-recovery risk on doubtful loans are recognised in cost of risk and any increase in the carrying amount resulting from the reversal of impairment losses as a result of the passage of time is recognised in the interest margin.

Provision for credit risk not individually impaired

Crédit Agricole CIB. also books provisions on the liabilities side of the balance sheet to cover customer risks that are not individually allocated to loans, such as country risk provisions or sector provisions calculated based on Basel models.

These provisions are designed to cover identified risks for which there is a statistical or historical probability of partial non-recovery against loans classified as performing or not individually impaired.

■ Country risk

Country risk (or international commitment risk) comprises "the total amount of non-compromised commitments, both on- and off-balance sheet, carried by an institution either directly or through so-called defeasance structures on private or public debtors resident in the countries listed by the French Prudential and Resolution Supervisory Authority (Autorité de Contrôle Prudentiel et de Résolution), or for which the successful settlement depends on the situation of private or public debtors resident in such countries". (French Banking Commission (Commission Bancaire) memorandum of 24 December 1998).

When these receivables are not doubtful they remain in their original accounts.

■ Write-off

The appreciation of the write-off period is based on an expert judgment. Crédit Agricole CIB determines it with its Risk Management division, in accordance with its knowledge of the activity.

Securities portfolios

The rules on recognising securities transactions are defined by CRB regulation 90-1 as amended by CRC regulations 2005-01, 2008-07 and 2008-17 and the CRC amended regulation 200203, as regards identification and impairment relating to credit risk on fixed-income securities.

Securities are presented in the financial statements by type: Treaury bills and similar, bonds and other fixed-income securities (negotiable debt instruments and interbank market securities), equities and other variable-income securities.

They are classified in the portfolios specified by regulations (trading, available-for-sale, held-to-maturity, portfolio, other securities held over the long term, investments in non-consolidated subsidiaries) depending on the initial ownership intention relating to the securities identified in the accounting IT system on purchase.

Trading securities

Trading securities are securities that were originally:

- bought with the intention of selling them in the near future, or sold with the intention of repurchasing them in the near future;
- or held by the bank as a result of its market-making activity. The classification of these securities as trading securities depends on the effective turnover of the securities and significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and market prices must represent real transactions taking place regularly in the market in normal competitive conditions.

Trading securities also include:

- securities bought or sold as part of specialist management of the trading portfolio, including forward financial instruments, securities or other financial instruments that are managed together and on which there is an indication of recent short-term profit taking;
- securities on which there is a commitment to sell as part of an arbitrage transaction on an organised market for financial instruments or similar

Except when provided for by CRC regulation 2008-17 (see "Reclassification of securities" section below), securities held for trading cannot be reclassified into another category, and are presented and measured as securities held for trading until they leave the balance sheet through being sold, fully redeemed or written off.

Securities held for trading are recognized on the date they are purchased in the amount of their purchase price, excluding incidental purchase costs and including accrued interest.

Liabilities relating to securities sold short are recognized on the liabilities side of the seller's balance sheet in the amount of the selling price excluding incidental purchase costs.

At each period-end, securities are measured at the most recent market price. The overall balance of differences resulting from price variations is taken to profit and loss and recorded in "Net gain/(loss) on trading book".

Available-for-sale securities

This category consists of securities that do not fall into any other category.

The securities are recorded at their purchase price, excluding incidental purchase costs.

■ Bonds and other fixed-income securities

These securities are recorded at their purchase price including accrued interest. The difference between the purchase price and the redemption value is spread over the security's remaining life according to an actuarial method.

Revenues is recorded in the income statement under : "Interest and similar income from bonds and other fixed-income securities".

■ Equities and other variable-income Securities

Equities are recorded on the balance sheet at purchase price excluding incidental acquisition costs. Dividend revenues from equities are taken to the income statement under "Income from variable-income securities".

At the end of the period, available-for-sale securities are measured at the lower of purchase cost and market value. If the current value of an item or an homogeneous set of securities (calculated from the trading sessions on the reporting date, for example) is lower than its carrying value, an impairment loss is recorded in the amount of the unrealized capital losses, with no netting of gains recognized on other categories of securities.

Gains from hedging, within the meaning of article 4 of CRB regulation 88-02, in the form of purchases or sales of forward financial instruments, are taken into account when calculating impairment.

Unrealized gains are not recognized.

In addition, for fixed-income securities identified as doubtful, impairment intended to take into account counterparty risk and recognised under cost of risk is booked as follows:

- in the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However if particular information available to Credit Agricole CIB on the financial situation of the issuer is not reflected in the market value, a specific impairment is booked;
- in the case of unlisted securities, impairment is carried out in the same way as on loans and advances to customers based on identified probable losses (see previous subdivision of "loans to customers"; paragraph "Impairment resulting from individually assessed credit risk").

Sales of securities are deemed to take place on a first-in first-out basis.

Impairment charges, write-backs and disposal gains or losses on available-for-sale securities are recorded under "Net gain/(loss) from investment portfolios and similar". Income from equities and other variable-income securities is recorded on the income statement under "Income from variable-income securities".

Held-to-maturity securities

Held-to-maturity securities are fixed-income securities with a fixed maturity date that have been acquired or transferred to this category with the manifest intention of holding them until maturity.

This category only includes securities for which Crédit Agricole CIB has the necessary financial capacity to continue holding them until maturity and that are not subject to any legal or other constraint that could threaten its plan to hold them until maturity.

Held-to-maturity securities are recognised at acquisition price, excluding purchase costs, and including interests.

The difference between the purchase price and the redemption price is spread over the security's remaining life.

Impairment is not booked for held-to-maturity securities if their market value falls below cost. However, if impairment is related to a risk specific to the security's issuer, impairment is booked in accordance with CRC regulation 2002-03 relating to credit risk; it is recorded in the "cost of risk" item.

In the event that held-to-maturity securities are sold or transferred to another category of securities, in a significant amount relative to the total amount of held-to-maturity securities held by the entity, the entity is no longer authorised to classify securities previously acquired and to be acquired as held-to-maturity securities during that year and for two subsequent years, in accordance with CRC regulation 2005-01, excluding the exceptions specified by this regulation and by CRC regulation 2008-17.

Medium-term Portfolio securities

In accordance with CRC regulation 2000-02 and with the 200012 French Banking Commission instructions, securities in this category comprise investments made on a regular basis with the sole aim of securing a capital gain in the medium term, with no intention of investing in the longer term in the development of the investee company's business or of becoming actively involved in its operational management.

In addition, securities can only be transferred to this portfolio if the significant and permanent activity is carried out within a structured framework and generates regular income, mainly coming from disposal gains.

Crédit Agricole CIB meets these conditions and can classify some of these securities in this category.

Medium-term Portfolio securities are recorded at acquisition price, excluding purchase costs.

On the accounts closing date, these securities are measured at the lower of cost or value in use, which is determined by taking into account the issuer's general prospects and the estimated remaining term of ownership.

For listed companies, value in use is usually the average market price assessed over a sufficiently long period (taking into account the planned term of ownership) to offset the effect of temporary sharp variations in the share price.

Any unrealised capital losses are calculated for each security, and are subject to impairment without netting of unrealised capital gains. They are recorded in the "Net gain/(loss) from investment portfolios and similar" items, as well as the impairment flows related to these securities.

Unrealised gains are not recognised.

Investments in affiliates, non-consolidated subsidiaries and other long-term securities

- Investments in affiliates are shares in companies over which Crédit Agricole CIB (SA) has sole control and that are or may be fully consolidated in the same consolidated whole.
- Investments in non-consolidated subsidiaries are securities (other than shares in a related company) of which the other than temporary ownership is deemed useful for the business of a credit institution, including because it allows it to exert influence or control over the issuer.
- Other long-term securities consist of securities held with the intention of promoting long-term business relations by creating a special relationship with the issuer, but with no influence on the issuer's management due to the small percentage of voting rights held.

Investments in affiliates and non-consolidated subsidiaries are recognized at their purchase price including purchase costs in accordance with CRC regulation 2008-07.

The other long-term securities are recognized at their purchase price excluding purchase cost.

At period-end, the securities are measured individually on the basis of their fair value, and are stated on the balance sheet at the lower of cost or value in use.

The value in use of these securities is the price the bank would agree to pay to acquire them, taking into account its ownership objectives.

Value in use may be estimated on the basis of various factors such as the profitability and prospective profitability of the issuing company, its shareholders' equity, the economic situation, the average listed price in the last few months and the security's mathematical value.

Where the value in use of a security is lower than historical cost, the unrealised loss is recognised through impairment, with no offset against unrealised gains.

Additions and releases from impairment, together with disposal gains and losses, relating to these securities are recorded under "Net gain/(loss) on disposal of non-current assets".

Market price

The market price at which the various categories of securities are measured is determined as follows:

- securities traded on an active market are measured at the latest price,
- if the market on which the security is traded is not or no longer considered active or if the security is unlisted, Crédit Agricole CIB determines the likely value at which the security concerned would be traded using valuation techniques. In the first instance, these techniques take into account recent transactions carried out in normal competition conditions. If required, Crédit Agricole CIB uses valuation techniques commonly used by market participants to price these securities, when it has been demonstrated that these techniques provide reliable estimates of prices obtained in actual market transactions.

Recording dates

Crédit Agricole CIB records securities classified as held-to-maturity securities on the settlement date. Other securities, regardless of type or classification, are recorded on the trade date.

Securities bought or sold under Repurchase agreements

Assets sold under repurchase agreements continue to be recorded on the balance sheet. The amount received is recorded as a liability. In the other party's books, assets bought under repurchase agreements are not recorded on the balance sheet, although the amount paid is recorded as an amount due.

The corresponding income and expenses are taken to profit and loss on a prorate basis.

Securities sold under repurchase agreements continue to be subject to the accounting principles applicable to the securities category from which they originate.

Securities loaned and borrowed

In the accounts of the lender, a receivable is recorded in the balance sheet representing the market price of the loaned securities on the date of the loan, in place of the loaned securities. At each period end, the receivable is valued using the rules applicable to loaned securities, including the recognition of accrued interest on available-for-sale securities and held-to-maturity securities.

In the accounts of the borrower, the security is recorded as an asset under trading securities at the market price prevailing on the date the security was borrowed. A liability to the lender is recorded on the balance sheet under "Liabilities relating to stock lending transactions". At each period-end, securities are measured at the most recent market price.

Reclassification of securities

In accordance with CRC regulation 2008-17 of 10 December 2008, the following reclassifications of securities are now authorized:

- from the "held-for-trading" portfolio to the "held-to-maturity" or "available-for-sale" portfolios in an exceptional market situation or in the case of fixed-income securities that are no longer tradable on an active market, and if the institution intends and is able to hold them for the foreseeable future or until maturity;
- from the "available-for-sale" to the "held-to-maturity" portfolio in an exceptional market situation or in the case of fixed-income securities that are no longer tradable on an active market.

Fixed assets

Crédit Agricole CIB applies ANC regulation 2014-03 as of 5 June 2014 relating to the depreciation, amortisation and impairment of assets.

Crédit Agricole CIB applies component accounting for all of its property, plant and equipment. In accordance with this regulation, the depreciable amount takes account of the potential residual value of assets.

The cost of fixed assets comprises, in addition to the purchase price, associated expenses, i.e. costs related directly or indirectly to the acquisition to bring use of the asset up to standard.

Land is recorded at cost.

Buildings and equipment are measured at cost less accumulated depreciation and impairment charges.

Purchased software is measured at cost less accumulated depreciation and impairment charges.

Proprietary software is measured at production cost less accumulated depreciation and impairment charges.

Except software, patents and licenses; intangible assets are not amortized. Intangible assets may be subject to impairment if required.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole CIB following the application of component accounting for non-current assets. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	40 to 80 years
Non-structural works	20 to 40 years
Plant and equipment	10 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	3 to 7 years (accelerated or straightline)
Specialist equipment	4 to 5 years (accelerated or straightline)

Based on available information on the value of its fixed assets, Crédit Agricole CIB has concluded that impairment testing would not lead to any change in the depreciable amount

Due to credit institutions and customer accounts

Amounts due to credit institutions and to customers are presented in the financial statements according to their initial term or their nature:

- demand and time deposits for banks;
- current accounts, time loans and advances for Crédit Agricole internal transactions;
- special savings accounts and other deposits for customers (notably including financial customers).

Repurchase agreements (represented by certificates or securities) are included under these various headings, according to counterparty type.

Accrued interest on these deposits is recognised under accrued interest and taken to profit and loss.

Debt securities

Debt securities are presented according to their type: short-term notes, interbank market securities and negotiable debt securities and bonds, except subordinated debt securities which are included in liabilities under “subordinated debt”.

Interest accrued but not yet due is recognised under accrued interest and taken to profit and loss.

Issue or redemption premiums are depreciated over the maturity period of the bond; the corresponding expense is recorded under “interest and similar charges on bonds and other fixed-income securities”.

Redemption premiums can be amortised in two ways:

- based on accrued interest on a pro-rata basis for bonds issued before 1 January 1993, or for those with a redemption premium of less than 10% of the issue price or;
- on an actuarial basis for debt issued after 1 January 1993 with a redemption premium of more than 10% of the issue price.

Crédit Agricole CIB also amortises borrowing expenses in its parent company’s financial statements.

Fee and commissions expenses on financial services paid to the Regional Banks are registered in “Fee and commission expenses”.

Provisions

Crédit Agricole CIB applies the ANC regulation 2014-03 as of 5 June 2014 as regards the recognition and measurement of reserves.

Reserves items include any reserves relating to financing commitments, retirement and end-of-career employee benefits commitments, disputes and other risks. The provisions also include country risks.

All these risks are reviewed quarterly. Provisions are set aside for country risks following an analysis of the types of transactions, the term of commitments, their form (receivables, securities, market products) as well as country quality.

Crédit Agricole CIB partially hedges provisions on these foreign-currency-denominated receivables by buying foreign currency, to limit the impact of changes in exchange rates on provision levels.

Fund for General Banking Risks (F.G.B.R.)

In accordance with the fourth European directive and the CRBF regulation 90-02 of 23 February 1990 relating to shareholders' equity and to the 90-01 instruction of the French Banking Commission, the reserve for general banking risks is maintained by Crédit Agricole CIB at the discretion of its management, to meet any charges or risks relating to banking operations but whose incidence is not certain.

Reserves are written back to cover any incidence of these risks during a given period.

Transactions on forward financial instruments and options

Hedging and market transactions involving forward interest-rate, exchange-rate or equity instruments are recorded in accordance with modified regulations 88-02 and 90-15 and with 94-04 modified instruction of the French Banking Commission.

Commitments relating to these transactions are recorded off-balance sheet, the amount recorded being the nominal value of the contracts: this amount represents the volume of transactions outstanding.

Gains and losses from these transactions are recorded by type of instrument and strategy.

Hedging transactions

Gains or losses realised on hedging transactions (category "b" Article 2.1 of regulation 90-15) are taken to profit and loss symmetrically with the recognition of income and expenses on the hedged item and under the same accounting heading.

Income and expenses relating to forward financial instruments used for hedging and managing Crédit Agricole S.A.'s overall interest rate risk (category "c" Article 2.1 of regulation 90-15) are recorded on a pro-rata basis under "Interest and similar income (expenses) – Net gains (losses) on macro-hedging transactions". Unrealised gains and losses are not recorded.

Market transactions:

Market transactions include:

- isolated open positions (category "a" Article 2.1 of regulation 90-15);
- specialised management of a trading portfolio (category "d" Article 2.1 of regulation 90-15);
- instruments that are traded on an exchange-traded, similar, over the counter or included in a trading portfolio-under regulation CRB 90-15 modified.

They are measured in reference to their market value on the closing date.

Where instruments are measured at market value, that value is determined:

- on the basis of available prices, if an active market exists;
- with the help of valuation methods and models if no active markets.

Interest rate and foreign exchange transactions (swaps, FRAs, caps, floors, collars and swaptions)

Crédit Agricole CIB uses interest-rate and currency swaps mainly for the following purposes:

1. to maintain individual open positions in order, when possible, to take advantage of interest rate movements;
2. to hedge interest rate risks affecting one item or a set of homogeneous items;
3. to hedge and manage the group's overall interest rate risk, except for transactions described in [2] and [4];

4. to carry out specialised management of a trading portfolio consisting of interest-rate or currency swaps, other forward interest-rate instruments, debt instruments or similar financial transactions.

Income and expenses related to transactions mentioned in the above section are recognized in the income statement as follows:

1. on a prorata basis, and reserves are booked for unrealized losses,
2. symmetrically to the recognition of income and expenses on the hedged item or set of items,
3. on a prorata basis, and unrealised gains and losses are not recognised,
4. at market value, adjusted through a MtM adjustment to take into account counterparty risks and future administrative expenses related to these contracts.

Market value is determined by discounting future cash flows using the zero coupon method.

As a rule, instruments cannot be reclassified between categories, except for transfers from category [2] to category [1] or [4] in the event of an interrupted hedge. Transfers are valued at the net book value of the instrument, which is then subject to the rules of the portfolio to which it is transferred.

Up-front and termination fees regarding interest rate or foreign exchange contracts are spread over the remaining maturity of the transaction or hedged item, except in the case of marked-to-market contracts, for which they are taken directly to the income statement.

Counterparty risk on derivative instruments

In accordance with Regulation 90-15 on the recognition of interest rate or currency swap contracts, Crédit Agricole CIB makes a Credit Valuation Adjustment (CVA) to the market value of its derivative assets to reflect counterparty risk. For this reason, Credit Valuation Adjustments are only made to derivatives recognised as isolated open positions and as part of a trading portfolio (derivatives classed in categories “a” and “d”, respectively, of Article 2.1. of regulation 90-15).

The CVA makes it possible to calculate counterparty losses expected by Crédit Agricole CIB.

The CVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs. It is based:

- primarily on market data such as registered and listed CDS (or Single Name CDS) or CDS proxy
- in the absence of registered CDS on the counterparty, on an index of Single Name CDS of same rating, same sector and same region.

In certain circumstances, historical default data can be used.

Value Adjustment related to derivatives’ funding

As of 30 June 2014, Crédit Agricole CIB has completed its financial instruments’ valuation measurement, taking into account good market practises :

The value of non-collateralised or partially collatoralised derivative instruments incorporates a Funding Valuation Adjustment (FVA) that represents costs and benefits related to the financing of these instruments. This adjustment is measured based on positive or negative future exposure of transactions for which a cost of financing is applied.

Other interest-rate or equity transactions

Crédit Agricole CIB uses various instruments such as interest rate futures and equity derivatives for trading or specific hedging purposes.

Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Gains or losses, realised or unrealised, resulting from the mark-to-market valuation of specific hedging contracts are spread over the maturity life of the hedged instrument.

Credit derivatives

Crédit Agricole CIB uses credit derivatives mainly for hedging purposes, in form of Credit Default Swaps (CDS). CDSs are recognised as forward financial instruments, and premiums paid are recorded on a prorata basis in the income statement. Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Complex transactions

A complex transaction is a synthetic combination of instruments of identical or different types and valuation methods. These transactions are recognised as a single batch or as a transaction whose recognition is not governed by any explicit regulations, with the result that it is up to Crédit Agricole CIB to choose an accounting policy. The purpose is to reflect the economic reality of the transaction in accordance with the principles of fair presentation and substance over form.

Foreign exchange transactions

Foreign currency-denominated assets and liabilities are translated at year-end exchange rates. The resulting gains and losses, together with gains and losses arising from exchange rate differences on transactions during the period, are taken to the income statement.

Monetary receivables and payables, along with forward foreign exchange contracts that appear as foreign-currency off-balance sheet commitments, are translated at the market rate in force at the balance-sheet date or at the market rate on the nearest previous date.

Spot and forward foreign exchange contracts

At each period end, spot foreign exchange contracts are valued at the spot exchange rate of the currency concerned.

Forward foreign exchange transactions categorised as trading transactions are recognised at market value using the forward rate applicable to the remaining period of the contract. Recorded net gains or losses are entered in the income statement under "Net gain/(loss) from trading portfolios foreign exchange and similar financial instruments".

Net gains and losses on forward foreign exchange transactions that are categorised as spot exchange transactions in connection with loans and borrowings, are recognised on a prorate basis over the period of the contracts.

Currency futures and options

Currency futures and options are used for trading purposes as well as to hedge specific transactions.

Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Gains or losses, realised or unrealised, resulting from the mark-to-market valuation of specific hedging contracts are recognized symmetrically to the hedged transaction.

Integration of branches outside France

Branches keep separate accounts that comply with the accounting rules in force in the countries in which they are based.

At each reporting date, the branches' balance sheets and income statements are adjusted according to French accounting rules, translated into euros and integrated with the accounts of their head office after the elimination of intra-group transactions.

The rules for translation into euros are as follows:

- balance sheet items are translated at the closing rate;
- expenses paid and income received are recorded at the exchange rate on the transaction date, whereas accrued income and expenses are translated at the closing rate.

Gains or losses resulting from this translation are recorded on the balance sheet under "Accruals, prepayments and sundry assets" or "Accruals, deferred income and sundry liabilities".

Off-balance sheet commitments

Off-balance sheet items mainly reflect the unused portion of financing commitments and guarantee commitments given and received.

A charge is booked to provisions for commitments given if there is a probability that calling in the commitment will result in a loss for Crédit Agricole CIB.

Reported off-balance sheet items do not mention foreign exchange transactions or commitments on forward financial instruments. Similarly, they do not include commitments received concerning treasury bonds, similar securities and other securities pledged as collateral.

However, details of these items are provided in note 18 (Outstanding foreign exchange transactions) and note 19 (Transactions in financial futures).

Employee profit-sharing and incentive plans

Employee profit-sharing and incentive plans are recognised in the income statement under "personnel costs" in the year in which the employees' rights are earned.

Post-employment benefits

Retirement and early retirement benefits-defined benefit plans

Since 1 January 2013, Crédit Agricole CIB has applied ANC recommendation 2013-02 of 7 November 2013 relating to the measurement and recognition of retirement and similar benefits obligations, such recommendation having then been repealed and incorporated in section 4 of chapter II of part III of ANC regulation 2014-03 of 5 June 2014.

In application of this regulation, Crédit Agricole CIB sets aside reserves to cover its liabilities for retirement and similar benefits falling within the category of defined-benefit plans.

These obligations are measured based on a set of actuarial, financial and demographic assumptions, and following the Projected Unit Credit method. This method consists in booking a charge for each period of service, for an amount corresponding to employee's vested benefits for the period. This charge is calculated based on the discounted future benefits.

Crédit Agricole CIB has decided to recognize actuarial gains and losses immediately to profit and loss, as a consequence the amount of the reserve is equal to:

- the present value of the obligation to provide the defined benefits as of the balance sheet date, calculated in accordance with the actuarial method recommended by the regulation;
- less the fair value of any plan assets. These assets may be in the form of an eligible insurance policy. In the event that 100% of the obligation is fully covered by such a policy, the fair value of the policy is deemed to be the value of the corresponding obligation (i.e. the amount of the corresponding actuarial liability).

Pension plans defined-contribution plans

There are various mandatory pension plans to which employers contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to provide all the benefits corresponding to the services rendered by staff during the current and previous years.

As a consequence, Crédit Agricole CIB has no liability in this respect other that the contributions to be paid for the year ended.

The amount of the contributions with respect to these pension plans is recognised under "employee expenses".

Extraordinary income and expenses

These comprise income and expenses that are extraordinary in nature and relate to transactions that do not form part of Crédit Agricole CIB's ordinary activities.

Corporate income tax

Globally, only tax due is recorded in the parent-company financial statements.

The tax charge appearing in the income statement is the income tax due in respect of the reporting period. It includes the impact of the 3.3% additional social contribution on profits, as well as the exceptional 10,7% increase in the income tax payable by companies generating revenue of over €250 million.

Crédit Agricole CIB is 100%-owned, directly or indirectly, by Crédit Agricole S.A. and is an integral part of the Crédit Agricole S.A. tax consolidation group.

The tax consolidation gain/loss is the difference between the tax due by the Crédit Agricole CIB tax sub-group to Crédit Agricole S.A. and the sum of individual tax amounts of subsidiaries forming an integral part of the Crédit Agricole CIB sub-group. This gain/loss is recorded as an income or expense under "Corporate income tax".

Given that the legislative intent when introducing the tax credit for competitiveness and employment (Crédit d'Impôts pour la Compétitivité et l'Emploi CICE) was to reduce employee expenses, Crédit Agricole CIB chose to recognise the CICE (Article 244 quarter C of the French General Tax Code) as a reduction in employee expenses rather than a tax reduction.

NOTE 2: DUE FROM CREDIT INSTITUTIONS - ANALYSIS BY RESIDUAL MATURITY

€ million	31.12.2014							31.12.2013
	< 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Loans and receivables:								
-Demand	2,374				2,374		2,374	2,160
-Time	8,653	1,819	3,332	339	14,143	97	14,240	12,431
Pledged securities								
Securities bought under repurchases agreements	47,921	3,050	2,233		53,204	14	53,218	54,799
Subordinated debt		8	258	318	584	2	586	630
Total	**58,948**	**4,877**	**5,823**	**657**	**70,305**	**113**	**70,418**	**70,020**
Impairment					(370)	(53)	(423)	(401)
Net carrying amount [1]					**69,935**	**60**	**69,995**	**69,619**

[1] Among related parties, the main counterparty is Crédit Agricole S.A. (€8,357 million at 31 Décember 2014 and €7,027 million at 31 december 2013).

NOTE 3: LOANS AND RECEIVABLES DUE FROM CUSTOMERS

3.1 Analysis by residual maturity

€ million	31.12.2014							31.12.2013
	< 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Bills discounted	1,856	714	1,515	6	4,091	1	4,092	3,476
Other loans [1]	12,356	9,704	38,543	19,046	79,649	370	80,019	75,053
Securities bought under repurchases agreements	59,598	2,717			62,315	9	62,324	57,196
Current accounts in debit	752				752	3	755	1,101
Impairment					(1,390)	(167)	(1,557)	(1,488)
Net carrying amount					**145,417**	**216**	**145,633**	**135,338**

[1] Subordinated loans granted to customers amount to €331 million at 31 December 2014.

Restructured loans amount to €4,701 million at 31 December 2014.

At 31 December 2014, the amount of restructured loans are in accordance with the new definition described in Note 1 « Accounting policies and principles ».

3.2 Loans and receivables - geographic analysis

€ million	31.12.2014	31.12.2013
France (including overseas departements and territories)	25,098	23,645
Other EU countries	28,052	35,073
Rest of Europe	4,618	3,951
North America	40,247	32,331
Central and South America	20,303	14,930
Africa and Middle-Eastz	5,423	5,382
Asia and Pacific (excl Japan)	12,666	11,453
Japan	9,732	9,661
Supranational organisations [1]	668	
Total principal	**146,807**	**136,426**
Accrued interest	383	400
Impairment	(1,557)	(1,488)
Net carrying amount	**145,633**	**135,338**

[1] (1) Supranational organisations were broken down by geographical zone at 31 December 2013.

3.3 Loans and receivables - doubtful loans, bad debts and impairement losses: geographical analysis

€ million	31.12.2014					
	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts	Coverage %
France (including overseas departements and territories)	25,098	219	227	(85)	(205)	65.04%
Other EU countries	28,052	826	278	(367)	(190)	50.48%
Rest of Europe	4,618		105		(23)	22.04%
North America	40,247	1	11		(10)	81.81%
Central and South America	20,303	14	335	(11)	(247)	74.12%
Africa and Middle-East	5,423	118	93	(86)	(91)	83.93%
Asia and Pacific (excl Japan)	12,666	65	99	(31)	(44)	45.50%
Japan	9,732					
Supranational organisations [1]	668					
Accrued interest	383	70	97	(70)	(97)	100%
Net carrying amount	**147,190**	**1,313**	**1,245**	**(650)**	**(907)**	**60.86%**

[1] Supranational organisations were broken down by geographical zone at 31 December 2013.

€ million	31.12.2013					
	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts	Coverage %
France (including overseas departements and territories)	23,645	248	159	(100)	(157)	63.17%
Other EU countries	35,073	673	523	(186)	(307)	41.14%
Rest of Europe	3,951	41	6	(16)	(6)	47.63%
North America	32,331	89	57	(5)	(48)	36.58%
Central and South America	14,930	45	300	(16)	(229)	70.78%
Africa and Middle-East	5,382	123	119	(77)	(87)	68.17%
Asia and Pacific (excl Japan)	11,453	212	2	(29)	(2)	14.23%
Japan	9,661	75		(44)		59.41%
Accrued interest	400	37	142	(37)	(142)	100.00%
Net carrying amount	**136,826**	**1,543**	**1,308**	**(510)**	**(978)**	**52.21%**

3.4 Analysis by customer type

€ million	31.12.2014				
	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts
Individual customers	1,110		1		(1)
Farmers	237				
Other small businesses		11	59	(4)	(57)
Financial institutions	56,823	15	259	(15)	(174)
Corporates	86,594	1,217	815	(561)	(564)
Local authorities	241		14		(14)
Other customers	1,802				
Accrued interest	383	70	97	(70)	(97)
Carrying amount	**147,190**	**1,313**	**1,245**	**(650)**	**(907)**

€ million	31.12.2013				
	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts
Individual customers	976		1		(1)
Farmers	113				
Other small businesses	112				
Financial institutions	59,158	167	343	(115)	(241)
Corporates	73,048	1,339	807	(358)	(580)
Local authorities	1,617		15		(14)
Other customers	1,402				
Accrued interest	400	37	142	(37)	(142)
Carrying amount	**136,826**	**1,543**	**1,308**	**(510)**	**(978)**

NOTE 4: TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND MEDIUM-TERM PORTFOLIO SECURITIES

€ million	31.12.2014					31.12.2013
	Trading securities	Short-term investment securities	Medium-term portfolio securities	Long-term investment securities	Total	Total
Treasury Bills and similar securities	36,281	9,474			45,755	47,564
-o/w residual net premium		(64)			(64)	(64)
-o/w residual net discount		81			81	73
Accrued interest		65			65	82
Impairment		(1)			(1)	(1)
Net carrying amount	**36,281**	**9,538**			**45,819**	**47,645**
Bonds and other fixed income securities [1]						
Issued by public bodies	2,322	2,404			4,726	3,418
Other issuers	8,546	10,253		1,388	20,187	19,947
-o/w residual net premium		(24)		(358)	(382)	(431)
-o/w residual net discount		98			98	33
Accrued interest		112		1	113	90
Impairment		(107)		(130)	(237)	(281)
Net carrying amount	**10,868**	**12,662**		**1,259**	**24,789**	**23,174**
Equities and other equity variable-income securities	8,713	36	86		8,835	5,626
Accrued interest						
Impairment		(11)	(55)		(66)	(75)
Net carrying amount	**8,713**	**25**	**31**		**8,769**	**5,551**
Total	**55,862**	**22,225**	**31**	**1,259**	**79,377**	**76,370**
Estimated value	**55,862**	**22,746**	**35**	**1,298**	**79,941**	**76,704**

[1] Subordinated loans in the portfolio amount to €43 million at 31 December 2014.

Trading book:
Crédit Agricole CIB (S.A) owns sovereign debts of Ireland and Portugal.
For Ireland, net exposure amounts to €50 million.
For Portugal, net exposure amounts to €35 million.

Banking book:
Crédit Agricole CIB (S.A) owns sovereign debts of Spain.
Net exposure amounts to €1,028 million.

4.1 Reclassification

Crédit Agricole CIB carried out reclassifications of securities on 1st October 2008 as permitted by CRC regulation 2008-17. Information about these reclassifications is provided below. There were no additional reclassifications of securities from 2009 to 2014.

Reclassification: Type, reason and amount

€ million	Total reclassified assets	
	Book value 31.12.2014	Estimated market value at 31.12.2014
From «held-for-trading» to «held-to-maturity»	530	528

Trading book securities are transferred to investment securities correspond to those securities that, at the date of the transfer, can no longer be traded on an active market and for which Crédit Agricole CIB has changed its investment intention, which is now to hold the financial assets for the foreseeable futur or until maturity. The inactive nature of the market is assessed primarily on the basis of a significant reduction in the trading volume and level of activity, and/or significant disparity in available prices over time and between various market operators.

■ Contribution to income of transferred assets since reclassification

The contribution from assets transferred to net income for the year since the date of reclassification comprises all profits, losses, income and expenses recognised in the income statement and other comprehensive income or expenses.

€ million	Pre-tax impact on 2009 earnings since reclassification (Assets reclassified before 2009)					
	Cumulative impact at 31.12.2013		2014 Impact		Cumulative impact at 31.12.2014	
	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)
From «held-for-trading» to «held-to-maturity»	(170)	(165)	53	46	(117)	(119)

4.2 Breakdown of listed and unlisted securities between fixed income and variable-income securities

€ million	31.12.2014				31.12.2013			
	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total
Listed securities	24,141	45,676	8,723	78,540	22,391	47,489	5,500	75,380
Unlisted securities	772	79	112	963	974	75	126	1,175
Accrued interest	113	65		178	90	82		172
impairment	(237)	(1)	(66)	(304)	(281)	(1)	(75)	(357)
Net carrying value	**24,789**	**45,819**	**8,769**	**79,377**	**23,174**	**47,645**	**5,551**	**76,370**

4.3 Treasury bills, bonds and other fixed-income securities - analysis by residual maturity

€ million	31.12.2014							31.12.2013
	< 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed income securities								
Gross amount	3,042	5,387	10,662	5,822	24,913	113	25,026	23,455
Impairment							(237)	(281)
Treasury bills and similar items	3,042	5,387	10,662	5,822	24,913	113	**24,789**	**23,174**
Treasury bills and similar items								
Gross amount	5,044	9,128	17,089	14,494	45,755	65	45,820	47,646
Impairment							(1)	(1)
Net carrying value	5,044	9,128	17,089	14,494	45,755	65	**45,819**	**47,645**

4.4 Treasury bills, bonds and other fixed-income securities - analysis by geographical zone

€ million	31.12.2014	31.12.2013
France (including overseas departements and territories)	22,557	26,461
Other EU countries	29,246	28,973
Other european countries	439	592
North America	6,550	1,044
Central and South America	942	3,534
Africa and Middle-East	103	47
Asia and Pacific (excl Japan)	5,463	6,166
Japan	5,188	4,112
Supranational organisations [1]	180	
Total principal	**70,668**	**70,929**
Accrued interest	178	172
Impairment	(238)	(282)
Net carrying amount	**70,608**	**70,819**

[1] Supranational organisations were broken down by geographical zone at 31 December 2013.

NOTE 5: INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

Company	Currency	Share capital	Premiums reserves and retained earnings before appropriation of earnings	Percentage of share capital owned	Carrying amounts of securities owned	Loans and receivables outstanding granted by the Bank and not paid back	Guarantees and other commitments given by the Bank	Revenues excluding taxes for the year ended (from audited financial statements of 2013)	Net profit or loss for the latest year	Dividends received by the company during the financial year
		in million of original currency	in million of original currency	in %	In million of €	in million of original currency	in million of original currency	in million of original currency	in million of original currency	In million of €
I. - DETAILED INFORMATION ON INVESTMENTS WHOSE GROSS CARRYING AMOUNT EXCEEDS 1% OF CRÉDIT AGRICOLE CIB'S SHARE CAPITAL										
A - Subsidiaries (more than 50% owned by CACIB)										
Banco CA Brasil SA	BRL	684	48	75.49	192	USD 10	USD 100	75	25	9
CA CIB Algérie s.p.a	DZD	10,000	121	99.99	96	EUR 0.1	EUR 0.3 USD 11	1,407	602	5
CA GLOBAL PARTNERS Inc	USD		350	100.00	535	USD 360			(2)	
CA PRIVATE BANKING	EUR	2,201	10	100.00	2,201	CHF 1,588		8	139	110
CACIB (China) Limited	CNY	3,000	179	100.00	337	CNY 1,720	CNY 7,789	276	94	8
CACIB Global Banking	EUR	145	136	100.00	280				(6)	
CASA BV	JPY	13,037	3,161	100.00	461	JPY 8,752		9,746	49,379	220
CLIFAP	EUR	110	6	100.00	113					
DGAD INTERNATIONAL	EUR	7	248	100.00	152	EUR 198	EUR 1		(176)	
MERISMA SAS	EUR	1,150	(49)	100.00	1,103	EUR 107				
Subtotal (1)					**5,470**					
B - Associates (10 and 50% owned by CACIB)										
BANQUE SAUDI FRANSI	SAR	9,040	11,771	31.11	410		EUR 1 USD 1	5,053	2,406	186
CREDIT AGRICOLE EGYPT S.A.E	EGP	1,148	996	13.07	75	USD 1	EGP 6 USD 15	1,478	643	6
UBAF	EUR	251	35	47.01	121		EUR 25	55	20	
Subtotal (2)					**606**					
II. - GENERAL INFORMATION RELATING TO OTHER SUBSIDIARIES AND AFFILIATES										
A- Subsidiaries not covered in I. above (3) a) French subsidiaries (aggregate) b) Foreign subsidiaries (aggregate)					**404** 182 222					
B- Affiliates not covered in I. above (4) a) French affiliates (aggregate) b) French affiliates (aggregate)					**117** 62 55					
Total associates (1)+(2)+(3)+(4)					**6,597**					

5.1 Estimated value of participating interests

€ million	31.12.2014		31.12.2013	
	Carrying value	Estimated value	Carrying value	Estimated value
Investments in subsidiaries and affiliates				
Unlisted securities	6,630	7,406	7,824	7,427
Listed				
Advances available for consolidation				
Accrued interest				
Impairment	(753)		(1,838)	
Net carrying amount	**5,877**	**7,406**	**5,986**	**7,427**
Equity investments and other long-term investment securities				
Equity investments and other long-term investment securities				
Unlisted securities	249	276	256	288
Listed	492	1,736	460	1,464
Advances available for consolidation				
Accrued interest				
Impairment	(33)		(153)	
Subtotal of equity investments	708	2,012	563	1,752
Other long term equity investments				
Unlisted securities	16	15	13	15
Listed			1	1
Advances available for consolidation				
Accrued interest				
Impairment	(4)		(4)	
Subtotal of long term equity investments	12	15	10	16
Net carrying amount	**720**	**2,027**	**573**	**1,768**
TOTAL EQUITY INVESTMENTS	**6,597**	**9,433**	**6,559**	**9,195**

As regards listed securities, the market value shown in the above table is the quoted price of the shares on their trading market at 31 December. It may not be representative of the realisable value of the securities.

€ million	31.12.2014	31.12.2013
	Carrying amount	Carrying amount
Total gross amount		
Unlisted securities	6,895	8,093
Listed	492	461
TOTAL	**7,387**	**8,554**

NOTE 6: CHANGES IN FIXED ASSETS

€ million	31.12.2013	Change in scope	Merger	Increase (Acquisitions)	Decrease (disposals, maturity)	Translation difference	Other movements	31.12.2014
Equity investments								
Gross amount	712			207	(183)	7	(2)	741
Impairment	(153)			(23)	143			(33)
Other long-term equity investment								
Gross amount	16							16
Impairment	(4)							(4)
Subtotal	**571**			**184**	**(40)**	**7**	**(2)**	**720**
Investments in subsidiaries and affiliates								
Gross amount	7,826		24	316	(1,539)	3		6,630
Impairment	(1,838)			(107)	1,194	(2)		(753)
Advances available for consolidation								
Gross amount								
Impairment								
Accrued interest								
Net carrying amount	**6,559**		**24**	**393**	**(385)**	**8**	**(2)**	**6,597**
Intagible assets	**152**			**36**	**(30)**	**3**		**161**
Gross amount	479			70	(35)	8	(1)	521
Impairment	(327)			(34)	5	(5)	1	(360)
Property, plant and equipment	**127**			**1**	**(13)**	**4**		**119**
Gross amount	700			34	(17)	26	1	744
Impairment	(573)			(33)	4	(22)	(1)	(625)
Net carrying amount	**279**			**37**	**(43)**	**7**		**280**

NOTE 7: OTHER ASSETS, ACCRUALS AND PREPAYMENTS

€ million	31.12.2014	31.12.2013
Other assets [1]	**85,179**	**74,349**
Financial options bought	49,892	40,969
Collective management of LDD savings account securities		
Miscellaneous debtors	28,868	28,882
Settlement accounts	6,419	4,498
Due from shareholders - unpaid capital		
Accruals and prepayments	**220,063**	**197,726**
Items in course of transmission to other banks	(37)	183
Adjustement accounts	218,379	195,752
Accrued income	30	360
Prepaid expenses	220	128
Unrealised gains and deferred losses on forward financial instruments -hedge operations		
Bond issue and redemption premiums		
Other accrual prepayments and sundry assets	1,471	1,303
Net carrying amount	**305,242**	**272,075**

[1] Amounts shown are net of impairment and include accrued interests

NOTE 8: IMPAIRMENT DEDUCTED FROM ASSETS

€ million	31.12.2013	Depreciation charges	Reversals and utilisations	Translation differences	Other movements	31.12.2014
Interbank loans	401	96	(113)	39		423
Customers loans	1,488	967	(978)	81	(1)	1,557
Securities (AFS, portfolio and HTM)	357	101	(209)	31	24	304
Participating interests and other long-term investments	1,995	130	(1,337)		2	790
Other	16	2	(5)	1		14
Total	**4,257**	**1,296**	**(2,642)**	**152**	**25**	**3,088**

NOTE 9: DUE TO CREDIT INSTITUTIONS - ANALYSIS BY RESIDUAL MATURITY

€ million	31.12.2014							31.12.2013
	< 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Accounts and overdrafts:								
- Demand	8,825				8,825		8,825	8,450
- Time	22,643	5,309	16,972	4,326	49,250	69	49,319	41,814
Pledged securities								
Securities sold under repurchase agreements	42,289	1,808	2,050	53	46,200	15	46,215	49,309
Carrying amount [1]							**104,359**	**99,573**

[1] of which with Crédit Agricole S.A.: €25,238 millions d'euros at 31.12.2014.

NOTE 10: CUSTOMER ACCOUNTS

10.1 Analysis by residual maturity

€ million	31.12.2014							31.12.2013
	< 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	
Current accounts in credit	18,289				18,289	9	18,298	30,336
Other accounts due to customers	48,801	4,667	4,135	1,659	59,262	108	59,370	63,827
Securities sold under repurchase agreements	54,528	517			55,045	1	55,046	57,583
Carrying amount							**132,714**	**151,746**

10.2 Analysis by geographical zone

€ million	31.12.2014	31.12.2013
France (including overseas departements and territories)	22,977	24,248
Other EU countries	41,394	57,545
Rest of Europe	2,296	1,150
North America	41,243	48,584
Central and South America	9,938	5,023
Africa and Middle-East	4,041	5,125
Asia and Pacific (excl Japan)	2,928	3,270
Japan	6,465	6,685
Supranational organisations [1]	1,314	
Total principal	**132,596**	**151,630**
Accrued interest	118	116
Net carrying amount	**132,714**	**151,746**

[1] Supranational organisations were broken down by geographical zone at 31 December 2013.

10.3 Analysis by customer type

€ million	31.12.2014	31.12.2013
Individuals customers	438	470
Farmers	59	94
Other small businesses		15
Financial institutions	79,769	103,456
Corporates	47,030	40,038
Local authorities	1,386	2,174
Other	3,914	5,383
Total principal	**132,596**	**151,630**
Accrued interest	118	116
Net carrying amount	**132,714**	**151,746**

NOTE 11: DEBT SECURITIES IN ISSUE -ANALYSIS BY RESIDUAL MATURITY

€ million	31.12.2014							31.12.2013
	< 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Interest-bearing notes								
Money market instrument								
Negotiable debt securities:	21,020	11,765	7,483	7,655	47,923	24	47,947	40,927
- Issued in France	2,156	7,251	7,483	7,655	24,545	8	24,553	28,409
- Issued abroad	18,864	4,514			23,378	16	23,394	12,518
Bonds								
Other debt securities								
Carrying amount					**47,923**	**24**	**47,947**	**40,927**

NOTE 12: OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

€ million	31.12.2014	31.12.2013
Other liabilities [1]	**125,733**	**107,079**
Counterparty transactions (trading securities)	35,516	32,937
Liabilities relating to stock lending transactions	6,439	4,326
Optional instruments sold	50,801	44,070
Miscellaneous creditors	20,843	21,824
Settlement accounts	12,134	3,922
Payments in pocess		
Other		
Accruals and deferred income	**219,593**	**192,667**
Items in course of transmission to other banks	1,772	1,229
Adjustment accounts	215,779	189,381
Unearned income	879	717
Accrued expenses	1,366	1,117
Unrealised losses and deferred gains on financial instrument		
Other accruals, deferred income and sundry liabilities	(203)	223
Carrying amount	**345,326**	**299,746**

[1] Amounts include accrued interests

NOTE 13: PROVISIONS

€ million	31.12.2013	Changes in scope	Charges	Write-backs and utilisations	Translation differences	Other movements	31.12.2014
Country risks	750			(204)	74		620
Financing commitment execution risks	15		4	(15)	2		6
Retirement and similar benefits	194		97	(14)	2		279
Financial instruments	1						1
Litigation [1]	711	(1)	138	(106)	34	5	781
Other provisions [2]	891		551	(447)	27	(4)	1,018
Carrying amount	**2,562**	**(1)**	**790**	**(786)**	**139**	**1**	**2,705**

[1] Including:
- Tax disputes: € 137 million
- Customer litigations: € 510 million
- social litigations: € 16 million

[2] including, in relation to CACIB Paris:
- Sector risks: € 812 million
- Other risks and expenses : € 185 million

NOTE 14: SUBORDINATED DEBT - ANALYSIS BY RESIDUAL MATURITY (in currency of issue)

€ million	31.12.2014					31.12.2013
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total	Total
Fixed-term subordinated debt:			**550**		**550**	**550**
* Euro			550		550	550
* Dollar						
* Other currencies						
Perpetual subordianted debt				**3,951**	**3,951**	**4,467**
* Euro				686	686	620
* Dollar				3,265	3,265	3,847
* Other currencies						
Participating securities and loans						
Total principal			**550**	**3,951**	**4,501**	**5,017**
Accrued interest					65	145
Carrying amount					**4,566**	**5,162**

Expenses related subordinated debts amount to -€164 million at 31 December 2014 compared to -€257 million at 31 December 2013.

NOTE 15: CHANGE IN SHAREHOLDERS' EQUITY (BEFORE DISTRIBUTION)

€ million	Shareholders' equity							
	Share capital	Legal reserve	Statutory reserve	Share premiums, other reserves and revaluation adjustments	Retained earnings	Regulated impairment	Net income	Total
31 December 2012	**7,254**	**433**	**0**	**927**	**1,167**	**22**	**1,129**	**10,932**
Dividends paid in 2013								
Increase / decrease								
2013 net income							522	**522**
Appropriation of 2012 parent company net income		56			1,073		(1,129)	**0**
Net charges / write-backs								
31 December 2013	**7,254**	**489**	**0**	**927**	**2,240**	**22**	**522**	**11,454**
Dividends paid in 2014					(999)			**(999)**
Increase / decrease								
2014 net income							1,318	**1,318**
Appropriation of 2013 parent company net income		26			496		(522)	**0**
Net charges / write-backs						(22)		**(22)**
31 December 2014	**7,254**	**515**	**0**	**927**	**1,737**	**0**	**1,318**	**11,751**

At December 2014, share capital comprised 268,687,973 shares with a value of €27.

NOTE 16: ANALYSIS OF THE BALANCE SHEET BY CURRENCY

€ million	31.12.2014		31.12.2013	
	Assets	Liabilities	Assets	Liabilities and shareholders' equity
Euro	401,995	409,299	371,509	375,562
Other European Union currencies	23,395	24,654	18,752	13,158
US Dollar	164,136	149,998	168,068	171,817
Yen	36,283	37,302	26,691	26,149
Other currencies	25,871	30,427	28,291	26,625
Total	**651,680**	**651,680**	**613,311**	**613,311**

NOTE 17: TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES, AND EQUITY INVESTMENTS

€ million	31.12.2014	31.12.2013
Loans and receivables	**26,291**	**20,856**
Credit and other financial institutions	12,404	15,287
Customers	11,600	2,108
Bonds and other fixed income securities	2,287	3,461
Debt	**56,071**	**31,774**
Credit and other financial institutions	39,412	20,059
Customers	11,319	10,671
Debt securities in issue and subordinated debt	5,340	1,044
Commitments given	**36,194**	**18,860**
Financing commitments given to credit institutions	400	2,365
Financing commitments given to customers	18,675	130
Guarantees given to credit institutions	10,167	10,880
Guarantees given to customers	2,593	5,482
Securities acquired with repurchase options	78	3
Other commitments given	4,281	

NOTE 18: NON-SETTLED FOREIGN EXCHANGE TRANSACTIONS AND AMOUNTS PAYABLE IN FOREIGN CURRENCIES

€ million	31.12.2014		31.12.2013	
	To be received	To be delivered	To be received	To be delivered
Spot foreign-exchange transactions	**51,350**	**51,337**	**22,651**	**22,630**
Foreign currencies	48,135	47,273	19,272	19,916
Euros	3,215	4,064	3,379	2,714
Forward currency transactions	**179,281**	**178,985**	**121,891**	**121,457**
Foreign currencies	134,085	132,060	89,958	88,541
Euros	45,196	46,925	31,933	32,916
Foreign currency denominated loans and borrowings	**417**	**605**	**657**	**383**
TOTAL	**231,048**	**230,927**	**145,199**	**144,470**

NOTE 19: TRANSACTIONS INVOLVING FORWARD FINANCIAL INSTRUMENTS

€ million	31.12.2014			31.12.2013		
	Hedging transactions	Other	Total [2]	Hedging transactions	Other	Total
Futures and forwards	**975**	**13,165,917**	**13,166,892**	**1,454**	**13,762,433**	**13,763,887**
Listed markets' operations [1]		**7,168,607**	**7,168,607**	**0**	**7,833,960**	**7,833,960**
Interest-rate futures		7,163,306	7,163,306		7,830,445	7,830,445
Currency futures					676	676
Equity and stock index instruments						0
Other futures		5,301	5,301		2,839	2,839
Over-the-counter [1]	**975**	**5,997,310**	**5,998,285**	**1,454**	**5,928,473**	**5,929,927**
Interest-rate swaps	975	5,904,044	5,905,019	1,454	5,559,845	5,561,299
Other interest rate forwards		70,964	70,964		96,947	96,947
Equity and stock index instruments		22,302	22,302		28,661	28,661
Other					243,020	243,020
Options	**10,138**	**2,950,829**	**2,960,967**	**9,794**	**3,417,521**	**3,427,315**
Listed markets	**0**	**50,331**	**50,331**	**24**	**20,363**	**20,387**
Interest rate futures Bought		21,201	21,201		3,991	3,991
Sold		24,629	24,629		13,384	13,384
Equity and stock index instruments Bought		1,894	1,894		1,377	1,377
Sold		2,306	2,306		1,581	1,581
Currency futures Bought		233	233		30	30
Sold		64	64			
Other futures Bought				13		13
Sold		4	4	11		11
Over-the counter	**10,138**	**2,900,498**	**2,910,636**	**9,770**	**3,397,158**	**3,406,928**
Interest rate swap options Bought		608,005	608,005		667,442	667,442
Sold		557,168	557,168		623,207	623,207
Other interest rate forwards Bought		375,809	375,809		436,699	436,699
Sold		432,931	432,931		513,385	513,385
Equity and stock index instruments Bought		1,670	1,670		1,585	1,585
Sold		2,080	2,080		2,014	2,014
Currency futures Bought		300,748	300,748		223,631	223,631
Sold		248,579	248,579		241,564	241,564
Other futures Bought		54	54		48	48
Sold		87	87		97	97
Credit derivative Bought	9,927	185,226	195,153	9,486	343,224	352,710
Sold	211	188,141	188,352	284	344,262	344,546
TOTAL	**11,113**	**16,116,746**	**16,127,859**	**11,248**	**17,179,954**	**17,191,202**

[1] The amounts stated under futures and forwards correspond to cumulative lending and borrowing positions (interest-rate swaps and swaptions) or to cumulative purchases and sales of contracts (other contracts)
[2] Including € 1,084,849 million with Crédit Agricole S.A at 31 December 2014.

19.1 Forward financial instruments - Fair value

€ million	31.12.2014			31.12.2013		
	Total fair value		Notional total	Total fair value		Notional total
	Assets	Liabilities		Assets	Liabilities	
Futures		(2)	2,168,290	1		1,951,038
Currency options	5,939	(5,267)	559,618	4,813	(5,282)	468,969
Currency futures			297			30
Interest rate options	34,279	(36,455)	1,200,611	25,105	(27,050)	1,303,498
FRAs	568	(543)	70,964	387	(379)	96,947
Interest rate swaps	133,886	(133,254)	8,267,971	109,115	(104,498)	9,435,299
Currency swaps	7,117	(5,581)	2,632,064	4,623	(3,962)	2,005,407
Interest rate forwards						
Caps,floors and collars	9,937	(11,638)	808,740	10,992	(13,831)	950,083
Equity, index and commodity derivatives	4,025	(4,665)	30,395	4,151	(4,752)	35,971
Other	3,822	(4,348)	388,909	5,861	(6,329)	700,613
Subtotal	**199,573**	**(201,753)**	**16,127,859**	**165,048**	**(166,083)**	**16,947,855**
Forward currency transactions	15,336	(14,309)	358,266	8,010	(8,180)	243,347
Total	**214,909**	**(216,062)**	**16,486,125**	**173,058**	**(174,263)**	**17,191,202**

19.2 Forward financial instruments - Analysis by residual maturity

€ million	Over-the-counter			Listed markets				31.12.2013
Notional outstandings	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total	Total
Interest-rate instruments	**1,242,578**	**1,985,357**	**2,079,606**	**3,013,314**	**2,541,977**	**1,653,594**	**12,516,426**	**13,736,865**
Futures				1,652,953	515,187		2,168,140	1,951,038
FRAs	59,146	11,818					70,964	96,947
Interest rate swaps	1,060,165	1,203,112	1,009,678	1,332,032	2,009,390	1,653,594	8,267,971	9,435,299
Interest rate options	24	271,749	883,109	28,329	17,400		1,200,611	1,303,498
Caps, floors and collars	123,243	498,678	186,819				808,740	950,083
Foreign currency instruments and gold	**2,167,105**	**797,120**	**227,457**	**447**			**3,192,129**	**2,474,406**
Currency futures	1,737,795	689,296	204,974	150			2,632,215	2,005,407
Currency options	429,310	107,824	22,483	297			559,914	468,999
Other instruments	**154,531**	**251,643**	**3,524**	**1,896**	**7,552**	**158**	**419,304**	**736,584**
Equity and index derivatives	12,080	13,196	818	1,718	2,425	158	30,395	35,971
Precious metal derivatives	88	12		59	6		165	448
Commodity derivatives								
Credit derivatives	142,363	238,435	2,706	119	5,121		388,744	700,165
Subtotal	**3,564,214**	**3,034,120**	**2,310,587**	**3,015,657**	**2,549,529**	**1,653,752**	**16,127,859**	**16,947,855**
Forward currency transactions Trading book	313,967	40,125	4,164				358,256	243,322
Forward currency transactions Banking book	3	3	4				10	25
Sub-total	**313,970**	**40,128**	**4,168**				**358,266**	**243,347**
Total	**3,878,184**	**3,074,248**	**2,314,755**	**3,015,657**	**2,549,529**	**1,653,752**	**16,486,125**	**17,191,202**

19.3 Forward financial instruments - counterparty risk

€ million	31.12.2014		31.12.2013	
	Market value	Potential credit risk	Market value	Potential credit risk
Risk regarding OECD governments, central banks and similar organisations	4,642	2,605	2,839	1,517
Risk regarding OECD financial institutions and similar organisations	181,813	84,044	134,971	73,541
Risk on other counterparties	19,534	10,358	15,798	9,558
Total by counterparty type before netting agreements	**205,989**	**97,007**	**153,608**	**84,616**
of which risk on:				
- Interest rates, currency and comodities contracts	204,079	82,357	147,990	62,523
- Equity and index derivatives	1,910	14,650	5,618	22,093
Impact of netting agreements	**170,383**	**48,776**	**127,872**	**52,963**
Total after impact of netting agreements	**35,606**	**48,231**	**25,736**	**31,653**

Contracts between members of the network are not included, because they carry no risk.

NOTE 20: NET INTEREST AND SIMILAR INCOME

€ million	31.12.2014	31.12.2013
Interbank transactions	849	353
Customer transactions	2,810	2,690
Bonds and other fixed-income securities (see note 21)	501	437
Debt securities in issue	814	211
Other interest and similar income	187	318
Interest and similar income [1]	**5,161**	**4,009**
Interbank transactions	(1,486)	(1,022)
Customer transactions	(730)	(539)
Bonds and other fixed-income securities	(125)	(44)
Debt securities in issue	(1,374)	(1,015)
Other interest and similar income	(299)	(342)
Interest and similar expense [2]	**(4,014)**	**(2,962)**
Net interest and similar income	**1,147**	**1,047**

[1] Including income with Crédit Agricole S.A at 31.12.2014 : €80 million
[2] Including charge with Crédit Agricole S.A at 31.12.2014 : €434 million

NOTE 21: INCOME FROM SECURITIES

€ million	Fixed Income securities		Variable-income securities	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Equity investments, investments in subsidiaries and affiliates, other long-term equity investments			612	352
Short-term investment securities and medium-term portfolio securities	400	308	5	10
Long-term investment securities	101	129		
Other securities transactions				
Total income from securities	**501**	**437**	**617**	**362**

NOTE 22: NET COMMISSION AND FEE INCOME

€ million	31.12.2014			31.12.2013		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	123	(183)	(60)	144	(104)	40
Customer transactions	439	(18)	421	381	(19)	362
Securities transactions	47	(87)	(40)	37	(63)	(26)
Foreign currency transactions		(9)	(9)		(7)	(7)
Forward financial instruments and other off-balance sheet transactions	163	(132)	31	156	(113)	43
Financial services (see note 22.1)	271	(28)	243	178	(4)	174
Total net fee and commission income [1]	**1,043**	**(457)**	**586**	**896**	**(310)**	**586**

[1] Including net commissions with Crédit Agricole S.A at 31 December 2014 : +€2.6 million.

22.1 Banking and financial services

€ million	31.12.2014	31.12.2013
Net icome from managing mutual funds and securities on behalf of customers	117	73
Net income from payment instruments	7	10
Other net financial services income (expense)	119	91
Financial services	**243**	**174**

NOTE 23: NET GAINS/(LOSSES) ON TRADING BOOK

€ million	31.12.2014	31.12.2013
Gains (losses) on trading securities	212	736
Gains (losses) on forward financial instruments	942	(52)
Gains (losses) on foreign exchange and similar financial instruments	36	470
Net trading gains (losses) on trading book	**1,190**	**1,154**

NOTE 24: GAINS/LOSSES ON SHORT-TERM INVESTMENT PORTFOLIO AND SIMILAR

€ million	31.12.2014	31.12.2013
Short-term investment securities		
Impairment losses	(5)	(34)
Reversals of impairment losses	47	40
Net losses/reservals	**42**	**6**
Gains on disposals	103	33
Losses on disposals	(70)	(17)
Net gains (losses) on disposals	**33**	**16**
Net gain/(loss) on short term investment securities	**75**	**22**
Medium-term portfolio securities		
Impairment losses		(2)
Reversals of impairment losses		
Net losses/reservals	**0**	**(2)**
Gains on disposals		
Losses on disposals		
Net gains (losses) on disposals	**0**	**0**
Net gain/(loss) on medium-term investment securities	**0**	**(2)**
Net gain/(loss) on short term investment portfolios and similar	**75**	**20**

NOTE 25: OPERATING EXPENSES

25.1 Staff costs

€ million	31.12.2014	31.12.2013
Salaries	(917)	(808)
Social security expenses	(342)	(267)
Incentive plans	(29)	(28)
Profit-sharing plans		
Payroll-related tax	(38)	(31)
Total employee expenses	**(1,326)**	**(1,134)**
Charge-backs and reclassification of employee expenses	43	6
Personnal costs [1]	**(1,283)**	**(1,128)**

[1] Including pension expenses at 31.12.2014 : -€51 million.
Including pension expenses at 31.12.2013 : -€47 million.

25.2 Average headcount

In FTE: Full-Time Equivalent	31.12.2014	31.12.2013
Executives	3,272	3,299
Non-executives	483	548
Executive and non-executive staff at foreign branches	2,486	2,383
Total	**6,241**	**6,230**
Of which		
- France	3,755	3,847
- Abroad	2,486	2,383

25.3 Other administrative expenses

€ million	31.12.2014	31.12.2013
Taxes other than on income or payroll-related	(104)	(87)
External services	(619)	(710)
Other administrative expenses	(203)	(131)
Total administrative expenses	**(926)**	**(928)**
Charge-backs and reclassification of employee expenses	71	132
Total	**(855)**	**(796)**

NOTE 26: COST OF RISK

€ million	31.12.2014	31.12.2013
Depreciation charges to provisions and impairment	**(1,575)**	**(1,004)**
Impairment on doubtful loans	(978)	(479)
Other depreciation and impairment charges	(597)	(525)
Reservals of provisions and impairment losses	**1,604**	**1,121**
Reservals of impairment losses on doubtful loans [1]	1,027	493
Other reservals of provisions and impairment charges [2]	577	628
Change in provisions and impairment	**29**	**117**
Losses on non-impaired irrecoverable loans	(71)	(133)
Losses on impaired irrecoverable loans	(244)	(476)
Recoveries on bad debts written off	127	29
Cost of risk	**(159)**	**(463)**

[1] Including €262 million used to loss hedges on irrecoverable and doubtful loans at 31 December 2014.
[2] Including €44 million used to provisionned risk hedges on the liabilities side of the balance sheet at 31 December 2014.

NOTE 27: NET GAIN/(LOSS) ON FIXED ASSETS

€ million	31.12.2014	31.12.2013
Financial investments		
Impairment losses		
Long-term investment securities		
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	(130)	(341)
Reservals of impairments losses		
Long-term investment securities		
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	1,338	295
Net losses/reservals	**1,208**	**(46)**
Long-term investment securities		
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	1,208	(46)
Gains on disposals		
Long-term investment securities		12
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	14	19
Losses on disposals		
Long-term investment securities	(3)	(4)
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	(1,288)	(1)
Losses on receivables from equity investments		(296)
Net gain (losses) on disposals	**(1,277)**	**(270)**
Long-term investment securities	(3)	8
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	(1,274)	(278)
Net gain (losses) on disposals	**(69)**	**(316)**
Property, plant and equipment and intangible assets		
Disposal gains		6
Disposal losses		(4)
Net Gain/(losses)	**0**	**2**
Net gain /(loss) on fixed assets	**(69)**	**(314)**

NOTE 28: CORPORATE INCOME TAX

€ million	31.12.2014	31.12.2013
Current tax [1]	64	21
Other tax	13	13
Total	**77**	**34**

[1] Buyback by Crédit Agricole S.A of carry-forward of previous tax deficits in accordance with the tax integration (€109 million in 2014 compared with €165 million in 2013).

Crédit Agricole CIB is part of the Crédit Agricole S.A tax consolidation group. Crédit Agricole CIB can sell its tax deficits in accordance with the tax agreement between Crédit Agricole CIB and Crédit Agricole S.A.

NOTE 29: OPERATIONS IN NON-COOPERATIVE COUNTRIES OR TERRITORIES

(Operations in non-cooperative countries or territories within the meaning of Article 238-0 A of the French General Tax Code).

Investment process

Projects to carry out acquisitions and disposals by all entities directly or indirectly controlled by Crédit Agricole S.A. must meet the strategic guidelines defined by the Board of Directors of Crédit Agricole S.A. and applied by the Group's general management.

A Group procedural memo sets out the framework for intervention for the business lines and central functions of Crédit Agricole S.A. As such, the Group Finance Division and Strategy and Development Division are consulted to ensure that the business and financial results expected from the project are met. They also determine whether the proposed transaction is a viable opportunity and whether it is consistent with the Group's strategic guidelines. The Risk Management and Permanent Controls function and of the Compliance and Legal Affairs Departments are brought in to issue recommendations that fall within the scope of their respective responsibilities.

This principle is applied across the subsidiaries, in respect of new products and new business activities, via special Committees.

Crédit Agricole CIB is present, directly and indirectly, in non-cooperative States or territories as defined by article 238-0 A of the French General Tax Code.

The information concerning these operations is presented as follows :

Country	Corporate name	Legal form	Activity	% held by the Group
British Virgin Islands	Levant Services LTD	Corporation - limited	Wealth management	100%
	Wynndel	Corporation - limited	Wealth management	100%
	Saturn Corporate Services	Corporation - limited	Wealth management	100%
	Vulcan Corporate Services Inc	Corporation - limited	Wealth management	100%
		Corporation - limited	Wealth management	100%

The above entities are within the area of responsibility of Crédit Agricole S.A. Group's Internal Controls department and as such must respect the Group's procedures in terms of prevention and control of non-compliance risk (which include namely the necessary procedures in terms of preventing money laundering and combating terrorism financing), as described in the report of the Chairman of the Board of Directors in the registration document of Crédit Agricole S.A..

AUDITORS' GENERAL REPORT ON THE PARENT-COMPANY FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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

The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the parent-company financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the parent-company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the parent-company financial statements.

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

To the Shareholders,

In accordance with the terms of our appointment at your Annual Meeting, we hereby submit our report for the year ended 31 December 2014 on:

- our audit of Crédit Agricole CIB's parent-company financial statements as attached to this report,
- the substantiation of our opinion,
- the specific procedures and disclosures required by law.

The parent-company financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the parent-company financial statements

We have conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the parent-company financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the parent company financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements and evaluating their overall presentation. We believe that the evidence we have collected is relevant and sufficient to provide a basis for our audit opinion.

In our opinion, the parent-company financial statements give a true and fair view, according to French accounting principles, of the results of operations for the year ended 31 December 2014 and of the company's financial situation and assets at that date.

II. Substantiation of our opinion

Pursuant to the provisions of Article L.823-9 of the Code de Commerce [French Commercial Code] concerning the substantiation of our opinion, we bring to your attention the following items:

- As indicated in note 1 to the parent company financial statements, the company books impairment reserves to cover credit risks relating which are inherent to its business activities. We have reviewed the arrangements put in place by the company to identify and evaluate these risks and to determine the amount of impairment it considers necessary, and we have verified that these accounting estimates were based on documented methods that complied with the principles described in note 1 to the financial statements.
- As indicated in note 1 to the financial statements, your company uses internal models to the financial instruments' valuation based on unobservable data and to estimates of certain fair value adjustments of financial statements. Our work entailed reviewing the control system applied to the models used, the underlying assumptions and the methods for taking into account the risks associated with such instruments.
- As a usual part of the process of preparing financial statements, your company's management has made a number of other accounting estimates relating in particular to the valuation of investments in participating interests and other long-term investments, the measurement of recognised pension liabilities and provisions for legal disputes. We reviewed the assumptions made and verified that these accounting estimates were based on documented methods that complied with the principles described in note 1 to the financial statements.

Our assessments were made in the context of our audit of the parent-company financial statements, taken as a whole, and therefore assisted us in reaching our unqualified opinion as expressed in the first part of this report.

III. Vérifications et informations spécifiques

We also carried out the specific verifications required by law, in accordance with professional standards applicable in France.

We have no comments regarding the fair presentation and consistency with the parent company financial statements of the information provided in the Board of Director's Management Report, and in the documents addressed to the shareholders with respect to your Company's financial position and the financial statements.

We verified the consistency of the information provided pursuant to article L. 225-102-1 of the Code de Commerce pertaining to compensation and benefits in kind paid to corporate officers and to commitments made to corporate officers, with the information contained in the accounts or with the data used to draw up these accounts and, where applicable, with the information collected by your Company from companies that control your Company or are controlled by it. On the basis of our work, we attest to the fairness and accuracy of this information.

In accordance with the law, we have verified that all the information regarding acquisitions and the identity of shareholders or voting rights and reciprocal investments have been disclosed in this business review.

Neuilly-sur-Seine and Paris-La Défense, 19 March 2015

Staturory auditors

PRICEWATERHOUSECOOPERS AUDIT
Catherine Pariset Emmanuel Benoist

ERNST & YOUNG ET AUTRES
Hassan Baaj Valérie Meeus

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INFORMATION ABOUT THE COMPANY

Corporate's name

Crédit Agricole Corporate and Investment Bank

Registered office

9 quai du Président Paul Doumer
92920 Paris La Défense cedex - France
Tél. : 33 1 41 89 00 00
Website: ca-cib.com

Financial year

The company's financial year begins on 1 January and ends on 31 December each year.

Date of incorporation and duration

The Company was incorporated on 23 November 1973. Its term ends on 25 November 2064, unless the term is extended or the Company is wound up before that date.

Legal status

Crédit Agricole Corporate and Investment Bank is a French société anonyme (joint stock Corporation) with a Board of Directors governed by ordinary company law, in particular the Second Book of the French Commercial Code (Code de commerce).

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the French Monetary and Financial Code (Code Monétaire et Financier). In this respect, Crédit Agricole CIB is subject to oversight by responsible supervisory authorities, particularly the French Prudential and Resolution Supervisory Authority (ACPR). In its capacity as a credit institution authorised to provide investment services, the Company is subject to the French Monetary and Financial Code, particularly the provisions relating to the activity and control of credit institutions and investment service providers.

Crédit Agricole CIB is affiliated, since December 2011, to the Crédit Agricole network, in the meaning of the French Monetary and Financial Code.

Material contracts

Crédit Agricole CIB has not entered into any material contracts conferring a significant obligation or commitment on the Crédit Agricole CIB Group, apart from those concluded within the normal conduct of its business.

Recent trends

Crédit Agricole CIB's perspectives have not suffered any significant deterioration since 31 December 2014, the date of its latest audited and published financial statements (see "Recent trends and outlook" section, page 137).

Significant changes

Since the 16 February 2015 Board of Directors' meeting that approved the 31 December 2014 financial statements, there has been no exceptional event or dispute likely to have a significant effect on the financial position, activity, results or assets of the Crédit Agricole CIB Company and Group.

Affiliation

Pursuant the article R 512-18 of the French Monetary and Financial Code (Code Monétaire et Financier), Crédit Agricole CIB has been affiliated with the Crédit Agricole network in 2011. As mentioned by the article R 512-18 of the French Monetary and Financial Code (Code Monétaire et Financier), the central organs of the credit institutions "have to deal with the cohesion of their network and to take care of their affiliated institutions' smooth functioning. To that purpose, they take all the necessary measures, notably to guarantee the liquidity and the solvability of each of these institutions as well as the whole network."

Publicly available documents

The present document is available on http://www.ca-cib.com/group-overview/financial-information.htm and on www.amf-france.org. The entire regulated information, as defined by the AMF (under Title II of Book II of the AMF General Regulation), is available on the website of the Company: http://www.ca-cib.com/group-overview/financial-information.htm > Regulated Information. A copy of the articles of association may be consulted at the registered office.

ADDITIONAL INFORMATION

FEES PAID TO STATUTORY AUDITORS [1]

Crédit Agricole CIB's board of auditors [2]

in € thousand	ERNST & YOUNG				PRICEWATERHOUSECOOPERS			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2014	2013	2014	2013	2014	2013	2014	2013
Audit								
Independent audit, certification, review of parent company and consolidated financial statements (1)								
Issuer	2,644	3,230	35%	50%	2,968	2,528	42%	43%
Fully-consolidated subsidiaries	1,532	1,475	20%	23%	2,244	2,278	32%	38%
Ancillary assignments (2)								
Issuer	2,603	1,282	35%	20%	1,010	407	14%	7%
Fully-consolidated subsidiaries	734	174	10%	2.7%	782	666	11%	11%
Subtotal (1)+ (2)	**7,513**	**6,161**	**100%**	**96%**	**7,004**	**5,879**	**100%**	**99%**
Other services (3)								
Legal, tax, social, IT	0	0	0%	0%	0	67	0%	1%
Other to be disclosed (if >10% of audit fees)	0	252	0%	4%	0	0	0%	0%
Subtotal (3)	**0**	**252**	**0%**	**4%**	**0**	**67**	**0%**	**1%**
Total (1)+(2)+(3)	**7,513**	**6,413**	**100%**	**100%**	**7,004**	**5,946**	**100%**	**100%**

Fees paid in relation to ancillary assignments notably cover the work done in the context of the preparation of Crédit Agricole CIB in AQR and procedures agreed under equity disposals operations.

Other Statutory auditors engaged in the audit of fully consolidated Crédit Agricole CIB Group subsidiaries

in € thousand	KPMG				Deloitte				Mazars				Autres			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%		Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Audit																
Independent audit, certification, review of parent company and consolidated financial statements																
	123	133	52%	62%	61	0	89%	0%	0	0	0%	0%	252	280	98%	98%
Ancillary assignments																
	116	82	48%	38%	7	0	11%	0%	0	0	0%	0%	3	4	2%	2%
Total	**239**	**215**	**100%**	**100%**	**68**	**0**	**100%**	**0%**	**0**	**0**	**0%**	**0%**	**255**	**284**	**100%**	**100%**

[1] These figures indicate the annual cost of Statutory auditors' fees.
[2] Including fully consolidated Crédit Agricole CIB subsidiaries audited by the College of Auditors.

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

SHAREHOLDERS' MEETING TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

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

To the shareholders,

In our capacity as the Company's statutory auditors, we hereby submit our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the contractual agreements or commitments indicated to us or that we may have identifi ed in the performance of our engagement. It is not our role to comment as to whether they are benefi cial or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code, to assess the benefi ts resulting from these agreements and commitments prior to their approval.

In addition, we are required to inform you in accordance with Article R.225-31 of the French Commercial Code (Code de commerce) concerning the implementation of the agreements and commitments already approved by the shareholders' meeting.

We have taken the steps we consider necessary to comply with professional code of the Compagnie Nationale des Commissaires aux Comptes (France's national association of statutory auditors) relating to this assignment. These steps consisted of verifying that the information provided to us is consistent with the underlying documents from which it was taken.

Agreements and commitments submitted for approval to the shareholders' meeting

■ Agreements and commitments authorised during the past financial year

In accordance with article L.225-40 of the French Commercial Code, we have been informed of the agreements and commitments that have obtained prior approval from your Board of Directors.

With the corporate officers:

Guarantee provided to the Board of Directors

▶ Nature and purpose

Your Board of Directors has authorised 20 December 2012 the issue by your company of a guarantee in favour of all the Directors to cover the risks they might encounter.

▶ Terms and conditions

The guarantee by your Company to the Directors cover possible risks relative to their responsibility in case of administrative or judicial proceedings instituted against them, notably in the United States, during the period of time prescription applicable to claims, plus three months. Having found that the directors have all interests and therefore could not participate in the vote, the Board of Directors have decided to submit these agreements for approval to the shareholders' meeting on the statutory auditors' special report, in accordance to the provisions of article L.225-42 of the French Commercial Code.

Madams Marie-Claire Daveu, Fabienne Haas and Anne-Laure Noat, appointed as Directors by the shareholders' meeting on 30 April 2014, benefit from this guarantee since this date.

Agreements and commitments already approved by the shareholders' meeting

■ Agreements and commitments approved in prior years whose execution continued during the past year

In accordance with article R. 225-30 of the French Commercial Code (Code de commerce), we were informed that the execution of the following agreements and commitments, already approved by the shareholders' meeting in prior years, was pursued during the past year.

With Crédit Agricole S.A.

Subscription for preferred shares or deeply subordinated notes

► Nature and purpose

Further to the link-up between the corporate and investment banking businesses of Crédit Agricole S.A. Group and Crédit Lyonnais, Crédit Lyonnais made a partial asset transfer to Crédit Agricole Indosuez (which became Crédit Agricole Corporate and Investment Bank).

In view of the above transaction, it was deemed necessary to increase your company shareholders' equity. Two issues of deeply subordinated notes, in US dollars, were carried out in 2004. Crédit Agricole bought USD 1,730 million of these notes.

► Terms and conditions

One of these issues, which amounts to USD 1,260 million, has been refunded during the 2014 financial year. The total coupon amounted to USD 12.43 million in respect of the 2014 year.

With Crédit Lyonnais

Indemnity agreement by your company for Crédit Lyonnais

► Nature and purpose

Crédit Lyonnais' corporate and investment banking division (CIB) was transferred to your company on 30 April 2004 with effect from 1 January 2004 for accounting and legal purposes, except for short-, medium- and long-term commercial loans, which were transferred later, with effect from 31 December 2004 at the latest.

To comply with the principle of retroactive effect from 1 January 2004, your company undertook to indemnify Crédit Lyonnais for counterparty risks relating to those loans from 1 January 2004.

► Terms and conditions

The guarantee amounted to EUR 2.31 million at 31 December 2014 and compensation for the 2014 year amounted to EUR 5,000.

With Newedge

Agreement of back-office outsourcing with Newedge

► Nature and purpose

Your Board of Directors authorised on 9 November 2010 the signing by your company of a back-office outsourcing agreement with Newedge Group for operations on derivative financial instruments traded on regulated markets in France or abroad. The agreement covers the operations performed by your company and those carried out by Crédit Agricole S.A. and Indosuez UK Finance Limited, a subsidiary of your company, for which the back-office processing has been entrusted to your company, the latter itself using the services of Newedge Group for running the back-office services.

► Terms and conditions

The outsourcing agreement provides for the main services provided by Newedge Group to be:

- the recognition of transactions on financial instruments,
- the reconciliation of these operations with those recognised by compensators,
- the treatment of financial flows, supply and interface of the accounting system of your company.

The fee payable to Newedge Group in return for services shall be as follows:

- for your company and Indosuez Finance UK Limited, a minimum annual amount with an increase according to the volume of transactions carried out by Newedge Group,
- for Crédit Agricole S.A., a minimum monthly amount with an increase according to the volume of operations entrusted.

The billing schedule is subject to an annual indexation clause according to a benchmark index and it is planned to reduce the minimum amounts in case of reduction of the scope of entrusted delivery, subject to compliance with a notice period of five months. The scale was revised in 2013 within the framework of allowed amendments respectively at meetings of the Board of Directors 30 April and 5 November 2013, to reflect the discontinuation of certain activities and charge in a more detailed way the volume of transactions processed.

The share held by the Company in Newedge Group has been sold on 6 May 2014. The amount charged by Newedge Group in respect of 2014 for all services totalled EUR 0.4 million.

■ Agreements and commitments approved during the year

Besides, we have been informed of the execution during the year of the following agreements, already approved by the 30 April 2014 shareholders' meeting, based on the 20 March 2014 Statutory auditors' special report.

With Crédit Agricole Indosuez Private Banking

Subleasing agreement with Crédit Agricole Indosuez Private Banking

▶ Nature and purpose

As part of the regrouping of staff of Crédit Agricole Indosuez Private Banking (CAI PB) in the building located at 17 rue du Docteur Lancereaux in Paris 8th, of which your Company is a lessee under a firm-term lease expiring in 2040, a subleasing agreement with CAI PB was authorised by your Board of Directors on 5 November 2013.

▶ Terms and conditions

The subleasing agreement has been effective at 1st July 2014, with a firm commitment from CAI PB for a lease term of 12 years and an annual rent identical to that of the head lease of EUR 3.6 million. This agreement also includes a franchise for 36 months' rents. Development works have begun in 2014, for which Crédit Agricole CIB has been committed at 31 December 2014 to an amount of EUR 5,197 million excluding VAT.

Neuilly-sur-Seine and Paris-La Défense, 19 March 2015

Statutory auditors

PRICEWATERHOUSECOOPERS AUDIT		ERNST & YOUNG ET AUTRES	
Catherine Pariset	Emmanuel Benoist	Valérie Meeus	Hassan Baaj

PERSON RESPONSIBLE FOR THE SHELF REGISTRATION DOCUMENT AND FOR AUDITING THE ACCOUNTS

RESPONSABILITY STATEMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I certify that, to my knowledge, the financial statements were prepared in accordance with applicable accounting principles and give a true and fair view of the assets, financial position and results of the company and all consolidated companies, and that the management report, of which the content is described in a cross-reference table in Chapter 8 indique le contenu, gives a true and fair view of the business activities, results and financial position of the company and all consolidated companies, along with a description of the main risks and uncertainties they face.

I have obtained a letter from the statutory auditors, PricewaterhouseCoopers Audit et 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 document and read the document as a whole.

The past financial statements of Crédit Agricole CIB have been subject of reports from the statutory auditors which contain observations. These reports are included by reference for the 2013 financial year and stand respectively on pages 289 and 328 of the 2013 Shelf-registration document.

For the year ended 31 December 2014, the financial statements of Crédit Agricole CIB have been subject of reports from the statutory auditors on pages 313 and 352 of this Shelf-registration document, and contain observations on the consolidated financial statements.

Courbevoie, 23 March 2015

Chief Executive Officer of Crédit Agricole CIB

Jean-Yves HOCHER

STATUTORY AUDITORS

Primary and alternate Statutory auditors

PRIMARY STATUTORY AUDITORS	
Ernst & Young et Autres Member of the Ernst & Young network	PricewaterhouseCoopers Audit Member of the PricewaterhouseCoopers network
Member of the Versailles regional association of Statutory auditors Company represented by: Valérie Meeus and Hassan Baaj	Member of the Versailles regional association of Statutory auditors Company represented by: Catherine Pariset and Emmanuel Benoist
Head office: 1-2 Place des saisons 92400 Courbevoie - Paris-La Défense	Head office: 63 Rue de Villiers 92200 Neuilly-sur-Seine

ALTERNATE STATUTORY AUDITORS	
Picarle et Associés	M. Etienne Boris
Member of the Versailles regional association of Statutory auditors	Member of the Versailles regional association of Statutory auditors
Company represented by: Marc Charles	
Head office: 1-2 Place des saisons 92400 Courbevoie - Paris-La Défense	63 Rue de Villiers 92200 Neuilly-sur-Seine

LENGTH OF STATUTORY AUDITORS' MANDATES	
Ernst & Young et Autres was renewed Statutory Auditor for six financial periods by the shareholders' meeting of 9 May 2012.	PricewaterhouseCoopers Audit was renewed Statutory Auditor for six financial periods by the shareholders' meeting of 9 May 2012.

LENGTH OF ALTERNATE AUDITORS' MANDATES	
Picarle et Associés mandate as alternate auditors to Ernst & Young et Autres was renewed for a period of six financial periods by the shareholders' meeting of 9 May 2012.	Mr Pierre Coll's mandate as Alternate Auditor to PricewaterhouseCoopers Audit expired during the shareholders' meeting of 9 May 2012. Mr Etienne Boris has been appointed Alternate Auditor to PricewaterhouseCoopers Audit for a period of six financial periods by the shareholders' meeting of 9 May 2012.

CROSS-REFERENCE TABLE

The following table indicates the page references corresponding to the main information headings required by regulation EC 809/2004 enacting the terms of the "Prospectus" Directive.

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In accordance with article 28 of EC regulation 809/2004 and article 212-11 of the AMF's general regulations, the following are incorporated for reference purposes: the consolidated financial statements for the period ended 31 December 2013 and the statutory auditors' report on the consolidated financial statements for the period ended 31 December 2013, 2013 financial situation and net income, and risk factors respectively presented on pages 197 to 290, 119 to 136 and 137 to 168 of Crédit Agricole CIB's 2013 shelf-registration document registered by the AMF on 24 March 2014 under number D.14-0192 and available on the Crédit Agricole CIB website (www.ca-cib.com).

Regulated information within the meaning of by Article 221-1 of the AMF General Regulation contained in this registration document	Page number
This registration document, which is published in the form of an annual report, includes all components of the 2013 annual financial report referred to in paragraph I of Article L. 451-1-2 of the Code Monétaire et Financier as well as in Article 222-3 of the AMF General Regulation:	
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- the analysis of the financial situation and 2013 results, and a description of main risks and doubts (art.L225-100 and L.225-100-2 of Code de commerce)	125-141
- social, environmental and societal information required by Article L.225-102-1 of the Code de Commerce	19 to 58
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This shelf-registration document is available on the Crédit Agricole CIB website : www.ca-cib.com and on the Autorité des Marchés Financiers website (French version) : www.amf-france.org