



A proactive approach, true to Crédit

Ever since its origins, Crédit Agricole has accompanied the major transformations which have taken place in the French economy and society. It has always taken a long-term view of business development, striving to maintain its strong local involvement. In its drive for progress and expansion, Crédit Agricole has remained true to the core values, both corporate and mutualist, which have underpinned its success through the ages.

With this heritage, Crédit Agricole naturally subscribes to the principle of sustainable development, which is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This principle is gradually becoming an integral part of the strategies and policies pursued by the various business units of our decentralised and evolving Group.

Agricole's values

Combining the drive for progress with respect for people and their communities

Crédit Agricole's core values

Crédit Agricole successfully combines the corporate values of service, progress and efficiency with the mutualist values of responsibility, solidarity and proximity. These core values reflect a culture fostered through the Group's agricultural origins, regional roots, democratic co-operative method of operation and experience as a large company. They underpin the commitment of the Group's members, directors and employees to a common purpose, which is to serve their communities.

A proactive approach

True to these values, the Group decided to formalise its commitment in 2003, first and foremost by strengthening its sustainable development function. In line with Crédit Agricole's decentralised organisation, this function plays an internal co-ordination and steering role and is responsible for communications with external sustainable development organisations (international institutions, NGOs, government agencies, etc.). It operates on a network basis, with a contact in each Crédit Agricole S.A. business unit and, through the Fédération Nationale du Crédit Agricole (FNCA), in each Regional Bank. The FNCA is responsible for managing and co-ordinating mutualist policies on a national level. The network comprises almost 80 people.

To give weight to its commitment, Crédit Agricole S.A. conducted a number of internal awareness campaigns in 2003 and took part in events such as the Sustainable Development Week organised by the French Secretary of State for Sustainable Development in June 2003. It has also made some strong commitments to international organisations.

Global Compact

In March 2003, Crédit Agricole S.A. signed the 'Global Compact' charter launched in 2000 by Kofi Annan, the United Nations Secretary General. This international initiative brings companies together with UN agencies, labour and civil society organisations to support nine principles in the areas of human rights, labour and the environment. Today, more than one thousand companies are engaged in the 'Global Compact'.

Equator Principles

In 2003, Crédit Lyonnais was the first French bank to adopt the Equator Principles, established by the World Bank and the International Finance Corporation (IFC), alongside nine other major financial institutions heavily involved in project finance. Equator banks will only provide direct loans to projects where the borrower is able to and undertakes to comply with sound environmental and social policies and processes. This condition applies to all deals in excess of \$ 50 million. In early April 2004, Calyon's Executive Committee agreed to continue supporting this initiative.



Solidarity and commitment to society

The Regional Banks, through their origins and fidelity to the mutualist values of responsibility, solidarity and proximity, are deeply committed to the development of their region. Each year, they take part in financing several hundred projects in areas such as the economy, society, the environment, and national heritage. The entire Group is involved in this approach.

Regional Banks: commitment to the local community

The Regional Banks have deep roots in their local economy and society, which gives them a strong sense of involvement in the economic, social and cultural life of their community. They are actively committed to local and regional development, not only by helping their customers' businesses to flourish but also by helping them through times of hardship.

The Regional Banks have full responsibility for their banking policy and their local initiatives. Each year, they devote a percentage of their resources to providing support for several hundred local development and community projects, notably through a strong commitment and involvement on the part of their directors. Regardless of their size or purpose (economic development, welfare, cultural, environmental, heritage, etc.), these projects seek to promote regional development or benefit the local community. This commitment to uphold the mutualist ideal in action illustrates the Regional Banks' sense of corporate and social responsibility.

Support for local development projects

Local development projects are mostly selected by the Local Banks and overseen by their directors. Several mechanisms have been developed to make their involvement more effective. Examples include the Centre France Regional Bank's € 8 million mutualist fund, the development funds made available by the Quercy-Rouergue Regional Bank to its Local Banks (which have supported 700 projects in four years), and the prizes for local community initiatives awarded by several Regional Banks (Nord de France, Oise, Finistère, Charente-Maritime Deux-Sèvres, Touraine et Poitou, Morbihan, Côtes-d'Armor and Loire Haute-Loire).

Support for people suffering hardship or social precarity

Several Regional Banks have created specific structures for customers or indeed non-customers experiencing hardship. Examples include the Centre-Est Regional Bank's 'Banque de l'Imprévu' for customers in temporary difficulties, the Nord-Est Regional Bank's 'Points Passerelle', assistance and advice bureaux open to customers and non-customers experiencing severe hardship, which are gradually being introduced by other Regional Banks (Cantal, Ille-et-Vilaine), and partnerships with charitable organisations helping people barred from access to the mainstream banking system to find work or create businesses and pay off their debts (Association pour le Droit à l'Initiative Économique, France Active, and France Initiative Réseau).



Support for business start-ups

Several Regional Banks offer special financing arrangements for business start-ups unable to secure backing through the mainstream banking system. Examples include 'Tremplin' interest-free unsecured loans (Savoie Regional Bank which has financed 230 projects in four years), the 'Banque Solidaire Nord Pas-de-Calais', founded in partnership with Crédit Coopératif to provide loans for young people wanting to start up in business (Nord de France Regional Bank), and the 'Imagine' fund which notably provides subsidised zero-interest loans for business start ups (Normand Regional Bank).

The Regional and Local Banks devoted € 18 million to local development and community initiatives in 2003.

Solidarity with the national bodies

For over the past twenty years, the Regional Banks have been involved in patronage activities at national level, by seeking financing from the FNCA and Crédit Agricole S.A. for projects which they feel deserve broader support.

Economic and social solidarity

The Regional Banks can call on Crédit Agricole Solidarité et Développement, an internal Group association, to support economic and social solidarity projects and initiatives to encourage social integration. Master agreements for back-to-work and business start-up programmes were signed in 2003 between Crédit Agricole Solidarité et Développement, the FNCA and three major associations working for social

integration through this type of programme: France Active, the ADIE and France Initiatives Réseau (a network for local initiatives). These agreements provide the Regional Banks with a working framework for forging operational partnerships through a grass roots approach.

In terms of social integration, the Regional Banks and Crédit Agricole Solidarité et Développement may provide support for the prevention of drug abuse, the integration of adolescents who have failed educationally or young people in difficult neighbourhoods, and the fight against illiteracy. For example, the Touraine-Poitou Regional Bank called upon Crédit Agricole Solidarité et Développement for an initiative which it has supported for several years now: taking primary school children from difficult neighbourhoods to visit Crédit Agricole branches, in association with the town of Tours, to familiarise them with the banking and money system.

'Pacte Solidarité Logement' is a shared return fund created by Crédit Agricole to support associations and organisations providing housing for the most needy families and people in France. Investors keep half of the income generated by their investment, while the other half goes towards funding housing projects. Crédit Agricole has created a foundation, the 'Fondation Solidarité Mutualiste', which collects donations from Pacte Solidarité Logement, selects the projects and grants subsidies. The foundation has been placed under the aegis of the 'Fondation de France' to ensure that projects chosen are ethical and serious.

In 2003, the Group devoted € 748,000 to solidarity initiatives financed by Crédit Agricole Solidarité et Développement and the solidarity funds.



Crédit Agricole S.A., meanwhile, has for many years provided support for healthcare and welfare institutions, among them the Institut Garches (rehabilitation of the disabled), the Institut Pasteur (genetic research), the 'Le Rire Médecin' association, which organises clowns to visit children in hospital, and the France Active venture capital fund which helps find work for the long-term unemployed.

Solidarity with the Southern countries

Crédit Agricole is also involved in community projects in the Southern countries. For over twenty years now, the Regional Banks, via Crédit Agricole Solidarité et Développement, have been providing aid for rural populations in Southern countries, and other parts of the world such as the former Soviet republics and the Eastern European countries.

Meanwhile, 'Pacte Vert Tiers Monde', another shared return fund, was created to enable Crédit Agricole customers to contribute to associations working for rural populations in Southern countries. Like 'Pacte Solidarité Logement', the investor keeps half the income from the investment while the other half goes towards development projects.

The focus is on the development chain and sustained action covering a relatively broad field. Savings and credit development programmes are a key priority, as are training and business organisation (providing improved technical and economic advice for farmers, strengthening the institutional and financial structure of various industries). Many projects also target basic needs such as water supply, healthcare and education, establishing small holdings and crop farming, and improving the nutritional and hygiene quality of local agricultural produce.

Three Regional Banks – Nord-Est, Centre Loire and La Réunion – have provided support for the Madagascar Credit and Savings Banks by helping them create their own central organisation with a donation of €280,000. The directors and employees of these three Regional Banks sponsor their Madagascan counterparts on a voluntary basis and are highly involved in setting up the network.

In 2003, Crédit Agricole S.A.'s Paris offices introduced a 'fair coffee' policy in their vending machines and cafeterias. The coffee has been awarded the Max Havelaar label, an association which ensures compliance with fair trade criteria between producers, importers and distributors. This initiative also helps raise awareness of the issue of sustainable development among the bank's Paris employees.

Furthermore, Crédit Lyonnais has for several years been involved in brain research and also supports the French Child Protection Centre (*Centre Français de protection de l'enfance*) through its Avantages loyalty scheme.

In Africa, the Group's subsidiaries are also involved in community actions. For example, BNI CL Madagascar, a leader in this area, has taken part in the renovation of healthcare centres and launched a 'young entrepreneurs' trophy'. Its staff have also participated in a reforestation campaign in Antananarivo.



An active patron of the arts

The Crédit Agricole group is an active patron of the arts through foundations and organisations.

Crédit Agricole 'Pays de France' Foundation

This foundation was created in 1979 to promote national heritage conservation programmes and projects to revive traditional crafts. It is a nationally-recognised charity with the backing of the Regional Banks, the FNCA and Crédit Agricole S.A. It has donated to nearly 700 projects since its origins.

Major projects sponsored in 2003 include the restoration of the Manoir de La Possonnière, Ronsard's birthplace in Couture-sur-Loir, the purchase of two rare mechanical globes for the Musée du Temps in Besançon, renovation of the Foch and Dutilleul Squares in Lille, and refurbishment of the Serre de La Madone gardens in Menton.

Arts and culture

Through its cultural partnerships, Crédit Agricole aims to be a corporate citizen, playing an active role in the life of its community and respecting cultural values. Crédit Agricole Indosuez (CAI) will therefore maintain its sponsorship agreements with the Musée Guimet (French national museum of Asian arts) and, more recently, the Théâtre du Châtelet. In 2003, CAI received an award from the French Ministry of Culture for its patronage activities.

Having supported the Musée Guimet since 1990, CAI has played an active part – mainly via donations – in restoring the museum's major works and adding to its collections. In 2003, its support enabled the museum to acquire a pair of Japanese screens from the XVIIth century. Each year, CAI also sponsors a major exhibition and finances the maintenance of the Japanese gardens surrounding the museum's Buddhist temple.

CAI has partnered the Théâtre du Châtelet since January 2000, financing a new production each year and providing funds for the Theatre's educational programme for young people. Through this partnership, the Crédit Agricole group pursues its commitment to cultural life in the provinces by supporting the Festival des Régions.

In early 2002, Crédit Lyonnais entered into a five-year partnership with the Louvre Museum to develop its website. Visitors to the site can take a virtual tour of the Museum's rooms and works of art, and take advantage of other services such as ticket purchasing.

During 2003, Crédit Lyonnais Asset Management continued to support the Dina Vierny-Musée Maillol Foundation.

Economic history

Ever since its foundation, Crédit Lyonnais has built up a mine of information on economic history, which is available to French and foreign researchers free of charge, through a specialised historical archives department. Some one hundred university researchers visit the archives each year. Database search engines and virtual exhibitions are also available on the www.creditlyonnais.com website.

The bank also finances the annual Crédit Lyonnais 'Histoire d'Entreprise' prize, which is awarded to the author of an independent and innovative work on corporate history. The total prize money is € 15,000.



'les Troyens' – Théâtre du Châtelet



Manoir de la Possonnière



Human resources and relations

The integration between Crédit Agricole and Crédit Lyonnais gave rise to new priorities in human resources management in 2003. Apart from its implications in terms of size, the integration process has radically changed the objectives of the new Group's human resources policy. The immediate challenges are to ensure successful integration that is sustainable over the long-term, and to develop policies that foster a sense of common purpose while respecting the values of both groups.

In the short term, developing the right HR policies during the first phase of integration is crucial to its success. The first priority is to institute a common social dialogue within the new Crédit Agricole S.A. group, ensure consultation with the staff representative bodies of each business unit, appoint key managers and combine the various teams. The second priority is to develop the new Group's HR policy by enriching it with the Crédit Lyonnais group's best practices. Both these projects are vital to provide the new Group with the means to achieve its ambitions.

Like the overall Group structure, the Group's HR policy is decentralised within the framework of a strong Group business line.

Managing integration

A key success factor in the integration between Crédit Agricole S.A. and Crédit Lyonnais lies in synergies, which will partly be achieved through staff reductions. These reductions will be made in line with the two commitments made at the beginning of the integration process: no forced redundancies in France and priority on internal mobility.

As part of the integration process, many work groups were created to draw up an inventory of the existing situation, co-ordinate and harmonise practices and make recommendations for the Group's human resources policy.

Achieving synergies

Cost synergies from integration will be achieved through careful management of staff and age pyramids, and through rationalising organisational structures. In France, total headcount will be reduced by 2,760 FTEs* by the end of 2005. This involves 1,400 FTEs in corporate and investment banking, 475 in the central support functions, 390 in consumer finance and leasing, 300 in asset management, 100 in cash management and payments, 50 in information systems and 45 in insurance. Apart from natural departures (retirement, resignation, etc.), the Group will introduce a series of negotiated measures, such as early retirement, long-term sabbaticals, and part-time working.

* Full-time equivalents, based on contractual working hours



Social dialogue

In September 2003, the six trade union organisations represented within Crédit Agricole S.A. and Crédit Lyonnais signed an agreement to establish a Joint Consultation Committee to deal with social dialogue on integration-related matters. It has no other jurisdiction and does not replace the role or prerogatives of the legally elected works councils.

Social dialogue is therefore organised at two complementary levels: a level common to all Crédit Agricole S.A. business units, through the Joint Consultation Committee, and at the level of those business units affected by integration.

Negotiations have begun at Group level on two key issues: employment policy, and business transfers and geographical mobility, the objective being to establish support measures for internal and external mobility in order to achieve target synergies. A heads of agreement on business transfers and geographical mobility was ratified on 9 February 2004.

Negotiations on employment policy concern the Group's 'integrated' scope. Meanwhile, the various works councils have been consulted on the target organisation structure for Crédit Agricole S.A., paving the way for consultations at business line and subsidiary level.

Lastly, in addition to this social dialogue, an Integration Forum has been launched on the Group's Intranet sites, to answer employees' questions.

A powerful mobility programme

A powerful internal mobility programme open to all business units will be implemented gradually. Sharing resources in this way not only opens up a broader vision of

internal transfer opportunities but also ensures solidarity between business lines and fair treatment for all employees. In this respect, major investment will be made in a 'Mobility Unit', which will support employees affected by integration and provide financial assistance for anyone wishing to follow up an internal or external mobility opportunity.

The Mobility Unit, which is separate from other existing internal mobility tools and policies, will be run by Human Resources managers assisted by an outside specialist consultancy. It will be operational throughout the integration process, i.e. until the end of 2005. Among the measures available are an online labour exchange, listing all existing and upcoming job vacancies in the Group. Career paths, which show the more usual moves between key business segments, will help employees identify the areas most accessible to them. Lastly, career orientation guidance will be available for those employees who are still undecided about their future after initial discussions with the mobility advisers.

Other financial and non-financial support measures will be available for employees willing to leave the Crédit Agricole S.A. group, including personalised support, help in developing a personal career project, and training.

For those employees affected by internal business transfers, various support measures will be proposed to the trade unions' agreement. Some of these measures concern the rules applicable to the employment contracts of employees concerned, while others will provide compensation for the additional cost involved in moving offices or financial support for those wishing to move closer to their new workplace.



A decentralised human resources policy within a strong business line

The HR structure respects the Group's founding principle of decentralisation. HR managers have full responsibility for organisation, employee relations, individual career management and training in their business segment, within guidelines set out at Group level. Each subsidiary therefore has sufficient autonomy to adapt its human resources policy to the specific needs of its business activities, for maximum effectiveness.

Group Human Resources is responsible for overall co-ordination of the HR business line. Its key duties are:

- ensuring a common purpose and social cohesion
- organising exchange of practices
- setting out the Group's strategic guidelines in terms of HR policy
- career management for senior executives
- setting out and co-ordinating employment policy, with a strong focus on promoting mobility between subsidiaries
- co-ordinating pay policies
- providing a centre of expertise for the subsidiaries
- overseeing the HR business line's operational and business performance, particularly by developing shared services (e.g. information systems, possibility of a sharing a payroll function between Crédit Lyonnais, Crédit Agricole S.A. and Calyon).

Career management

At Group level, Group Human Resources is responsible for career management and short and medium-term succession planning for all key managers in the central support functions and subsidiaries. This involves a total of about 1,200 people. Its tasks include career management and mobility, co-ordination of pay policies and succession planning.

Common principles govern personal career management for all other Group employees. For example, a group-wide annual appraisal system is designed to analyse skills and performance, the results of which are used to assess the job performance of all employees and to create a reference base for mobility management. Similarly, all subsidiaries will be required to introduce a system of periodical interviews with the career managers and to establish a mobility committee, which is crucial for managing transfers between business units and segments.

Training: skills development

Organisation and objectives

A Group Training department was organised in 2003 to meet the challenges facing the new enlarged Group. Like Group Human Resources, its objective is to help improve profitability and develop social cohesion within a framework of rapid and radical change (integration of business units, changes in business activity, adapting skills, etc.). Against this background, training not only guarantees improved performance but also meets employees' expectations.

The Group Training department must not only meet immediate needs but also plan for the future in terms of retaining the best employees, and managing the age pyramid and mobility.



It has set out a programme comprising four key areas:

- targeted training for specific groups of employees, such as young people, employees with management potential and managers;
- general, cross-functional training in topics of group-wide interest, such as office systems, languages and personal development;
- business training run by the business segments and subsidiaries in response to specific needs, such as asset management, insurance or leasing;
- academic training leading to qualifications, as part of the personal career management policy.

Management training

In this specific area, the 'Perspective' programme introduced by Crédit Agricole is a key pillar of the Group's training and people development policy. Each year, some thirty high-potential managers from all Group units follow the course, which aims to:

- develop a common reference base for management practices and behaviour, which overarches the diversity between business lines and environments;
- give participants a general vision and help them progress in strategic understanding of their business and the Group;
- encourage mutual knowledge and cross-functional relationships.

Most subsidiaries also have their own management training programmes to meet the specific needs of their business activities.

In 2003, 28,247 people received training, representing almost 63% of the active permanent workforce.

A tradition of social dialogue

Alongside social dialogue at Group level through the Central Works Council, which held three meetings in 2003, each company has its own employee relations mechanism for local social dialogue at a more grass roots level.

Apart from integration-related events, the staff representative bodies are involved in all developments in their respective business segments, as part of their responsibilities.

Negotiations led to the signing of 80 company-wide agreements in various Crédit Agricole S.A. group business units in 2003, including within Crédit Agricole S.A. itself, an agreement on the employment of disabled workers, an agreement on salaries and an amendment to the agreement on employee profit-sharing agreement relative to the central organisation's results, and on incentive payments for collective performance. In 2003, Crédit Lyonnais signed an agreement on jobs and skills planning and forecasting, an agreement on equality between the sexes, including monitoring specific indicators to support actions already taken in terms of recruitment, training, pay and career development.

Pay policy

The average gross annual salary for active employees in France was approximately € 39,600 in 2003.

The average monthly base salary for non-managers at 31 December 2003 was € 2,088 for men and € 1,923 for women.

For managers, the average monthly base salary was € 4,452 for men and € 3,579 for women. The difference is principally due to the lower proportion of women in senior management and executive positions.

2003 training in France

Area	No. of hours	% share
Knowledge of the Group	16,877	1.5
Management	50,793	4.6
Business-specific training	855,894	77.3
IT, office systems, new technology	105,798	9.6
Languages	56,308	5.1
Other	20,859	1.9
Total	1,106,528	100

(94% of business scope in France)

Individual salaries

Individual salary comprises a fixed component and a variable component. The fixed component remunerates the employee's skills and responsibility level. The variable component is performance-related and is designed to incentivise individual performance. In this respect, it is a key component of the Group's pay policy.

An in-depth review has been conducted to reconcile harmonisation of salaries, which is essential for Group cohesion, with the need to take account of the specific nature of certain business activities.

Collective incentive schemes

Almost all Crédit Agricole S.A. group business units have a profit-sharing agreement and an incentive scheme, which give employees the opportunity to share in the results and growth of their business units. Along with several subsidiaries, Crédit Agricole S.A. has established a two-tier collective incentive scheme: the first tier remunerates employees on the basis of a common Group measurement and the second on measurements specific to their business activities.

	Number of beneficiaries	Average amount
Profit-sharing	13,368	3,470
Incentive scheme	45,273	1,343
Employee savings plan top-up	24,715	771

(93.4% of business scope in France)

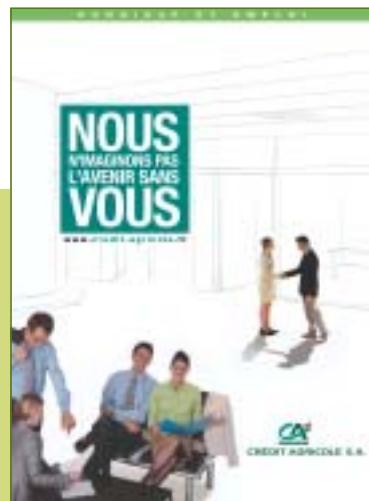
Amount paid in 2003 in respect of 2002

Support for disabled employees in France

At 31 December 2003, the Crédit Agricole S.A. group employed 1,694 disabled people, representing almost 3.8% of the active permanent workforce.

In 2003, the Group reaffirmed its commitment to integrating disabled people by extending the three-year Disabled Workers agreement signed with the trade unions in 2000 to cover 2004 and 2005. It provides for concrete measures to encourage the employment of disabled people in both the ordinary and protected workplace, including recruitment, work placements and apprenticeships. Substantial resources have been invested in supporting disabled workers and in staff awareness campaigns. Support measures for parents of disabled children were also introduced in 2003.

In addition, Crédit Lyonnais and the AGEFIPH (a national association that manages funds for the vocational integration of disabled people) signed a new agreement for 2003 and 2004, covering recruitment, ongoing employment and awareness. Events of note during the year were the launch of a new Intranet site, publication of a brochure and a poster campaign. In 2004, the 'Vocational Integration of the Disabled' team will uphold the provisions of the agreement by supporting the employees concerned through the changes arising from integration with Crédit Agricole S.A.



Employee share ownership

During 2003, a new share issue was made for employees of the Crédit Agricole group. It opened in June 2003, immediately after the successful outcome of the friendly bid for Crédit Lyonnais, with the aim of involving all employees in a common goal, the success of the new Group. The offer was open to 130,000 employees in 14 countries and attracted over 50,000 applications for a sum of about € 345 million. Two options were available: a 'Classic' offer with a discount and a 'Multiple' offer through a leveraged fund. This structure was designed by the teams of both groups, which have acknowledged expertise in this area. After the issue, in Autumn 2003, employee share ownership amounted to 4.95% through the employee share ownership plan.

World headcount

At 31 December 2003, the Crédit Agricole S.A. group employed a total of 63,140 people (permanent and contract staff) throughout the world, including 80.6% in Western Europe, 6% in Africa and 4.5% in Central and Eastern Europe. These figures include employees of all fully- or proportionally-consolidated companies.

Breakdown of headcount by segment

Segment	Headcount (FTEs*)
French retail banking, payments	25,489
Corporate and investment banking	12,943
Specialised financial services	9,382
International retail banking	4,868
Asset management	3,822
Central support functions, proprietary asset management and other activities	2,599
Operations and logistics	2,004
International private banking	1,126
Insurance	907
Total	63,140

* Full-time equivalents

Three segments employ three quarters of all staff. French retail banking accounts for 40% of total headcount, corporate and investment banking for 20%, and specialised financial services for 15%.

Crédit Agricole S.A. employees in France

The figures given in this report are as of at 31 December 2003 and concern fully and proportionally consolidated companies in France.

The total number of permanent employees, either active or on extended leave of absence^(*), and contract staff amounted to 50,700 at 31 December 2003.

(*) Employees whose employment contract was suspended as of 31 December 2003 (long-term illness, early retirement, unpaid leave, parental leave, training, etc.).

Contract staff represent 2.2% of the active workforce.

Active permanent staff	45,012
Permanent staff on extended leave of absence	4,565
Contract staff	1,123
Total	50,700

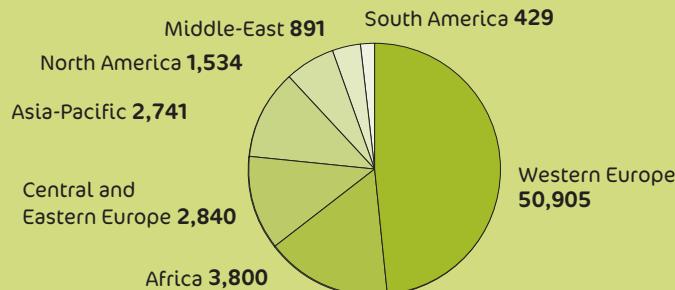
Structure of active permanent workforce in France

Men	43.6 %	Women	56.4 %
Management	39 %	Non-management	61 %

(97% of business scope in France)

The average age is 43 and the average length of service is 19 years. Employees under the age of 30 accounted for 14% of the total, those from 30-50 for 52% and those over 50 for 34%.

Geographical breakdown of headcount



For Crédit Lyonnais, the proportion of employees aged over 50 is relatively high compared with the banking sector as a whole*. Several specific policies have been introduced, including staffing and skills planning and forecasting, and "career orientation interviews" half-way to two-thirds of the way through the employee's working life in order to explore possibilities for the future.

(*) In 2003, almost 40% of Crédit Lyonnais employees were aged over 50.

Employment management in France

Recruitment

Total new permanent employees amounted to 1,870, including 77% in direct new recruits and 23% through the conversion of contract staff to permanent employees. Among the direct new recruits, managers accounted for 35%.

	Management	Non-management
Permanent employees	496	941
Conversion of contract to permanent	39	394
Total new permanent employees	535	1,335

(95% of business scope in France)

In preparation for the integration of Crédit Lyonnais, it was decided to freeze all new recruitment at the beginning of the year, with the exception of commercial staff for Crédit Lyonnais' retail banking network. During the year, therefore, Crédit Lyonnais continued to recruit personal customer account managers and customer advisers. This policy will also continue in 2004 with the aim of supporting growth in the business franchise and helping renew resources against the backdrop of an increasing number of departures under the early retirement plan.

Departures

Total departures of permanent staff amounted to 3,702, first and foremost due to retirement or early retirement (2,142 or 58% of the total), followed by resignation (822 or 22%).

Departures – (permanent staff)

	Management	Non-management
Resignation	321	501
Redundancy and dismissal	330	159
Retirement/early retirement	592	1,550
Death	27	85
Other reasons	46	91
Total departures	1,316	2,386

(95% of business scope in France)

Retirement and early retirement

Crédit Lyonnais has an early retirement agreement valid until 31 March 2006, covering employees aged 56 or 57 who meet certain conditions with respect to number of years' contributions and length of service in the company. Crédit Agricole S.A.'s early retirement agreement covers employees aged over 55.

Retirement and early retirement

	Management	Non-management	Total
Women	152	1,042	1,194
Men	440	508	948
Total	592	1,550	2,142

(95% of business scope in France)

Breakdown of active permanent employees by age - Crédit Agricole S.A. group



Contractual working time

Breakdown of active permanent employees by contractual working time

Three quarters of all employees have their contractual working time expressed in hours. These arrangements apply to 35% of managers.

Breakdown of active permanent employees at 31 December 2003 by contractual working time

	Management	%	Non-management	%	Total	%
Working time expressed in hours	5,570	35	25,811	100	31,381	75
Working time expressed in days	10,568	65	0	0	10,568	25
Total	16,138	100	25,811	100	41,949	100

(93.5% of business scope in France)

Number of part-time permanent staff

The Group has 4,533 part-time employees, 93% of whom are women, management and non-management staff combined.

Number of part-time permanent staff

Percentage of normal working hours	Management Men	Management Women	Non-management Men	Non-management Women	Total
Under 50%	1	5	29	181	216
50-79%	31	134	142	1,368	1,675
80% and over	61	728	52	1,801	2,642
Total	93	867	223	3,350	4,533

(94% of business scope in France)

Working conditions

Absenteeism

Number of working days absence by reason	Management	Non-management	Total	%
Sickness	68,609	320,974	389,583	65.7
Accidents at or travelling to and from the workplace	1,985	14,878	16,863	2.8
Maternity/paternity leave	42,848	62,076	104,924	17.7
Authorised leave (family events, breastfeeding, removals)	23,912	35,137	59,049	10
Other reasons	10,221	12,353	22,574	3.8
Total	147,575	445,418	592,993	100

(87.5% of business scope in France)

Social security contributions

Employer's social security contributions for 2003 represented 54.3% of the total payroll, reflecting the efforts made by Crédit Agricole S.A. (parent company) in terms of employee benefits and supplementary pensions.



Customer and supplier relations

A strict compliance system

Crédit Agricole S.A., its subsidiaries and the Regional Banks each have their own compliance department, employing a total of about 200 people.

In the Crédit Agricole S.A. Group, the compliance officers have an operational reporting line to the head of their business unit and a functional reporting line to the Group Compliance Officer, who is responsible for the compliance business line at Crédit Agricole S.A. and for co-ordinating the Regional Banks' compliance functions. He reports directly to Crédit Agricole S.A.'s General Secretary, and also heads up a Compliance Management Committee, created in early 2004.

The investment services and asset management subsidiaries have a more highly developed compliance function to meet the requirements of the supervisory authorities (the *Autorité des Marchés Financiers* in France).

Early in the second half of 2003, a Compliance Charter was drawn up covering all Directors and employees of the Crédit Agricole group. It was approved by Crédit Agricole S.A.'s Board of Directors on 17 July 2003.

In addition, as soon as the offer for Crédit Lyonnais closed, measures were taken to strengthen supervision of conflicts of interest and disclosure rules to adapt them to the new enlarged Group. During the final quarter, work began on drawing up a strengthened compliance plan, as required by the French Banking Commission and the US Federal Reserve Board. This plan will be implemented gradually during 2004.

Prevention of money laundering and terrorism financing

In line with the Group's decentralised structure, prevention of money laundering is the direct responsibility of each business unit, which implements its own policies in terms of 'know your customer' and constant vigilance as part of its internal control system. Each Regional Bank has designated a person responsible for relations with Tracfin. The Group has a central system through its Financial Security business line, which is part of Group Internal Audit and Control, to ensure that all subsidiaries and branches abroad have the necessary recommendations to protect against the risk of money laundering. Lastly, Group Internal Audit and Control carries out audits on money laundering prevention measures in all business units.

The system has been gradually strengthened since 2000, culminating in the creation of the Financial Security business line in July 2003, with a broader base of skills and reporting to the Head of Internal Control at Crédit Agricole S.A. The strengthened system incorporates the latest legislative and regulatory requirements and recommendations made by the supervisory authorities. For example, specific provisions have been made for cheque verification and vigilance has been stepped up with regard to countries on the Financial Action Task Force (FATF) blacklist.



Specific measures have been taken to prevent the financing of terrorist activities and to freeze assets on accounts held by persons suspected of having terrorist connections, in line with European and French legislation. In this respect, the Financial Security business line has issued instructions and recommendations to the Group business units concerned (Crédit Agricole S.A. departments and subsidiaries, Regional Banks). The overall system is supported by supervisory tools and staff awareness and training campaigns in all business units concerned. The Group has also strengthened its co-ordination in this respect.

Socially responsible investment

Crédit Agricole Asset Management and Crédit Lyonnais Asset Management were both pioneers in socially responsible investment (SRI), sharing the same belief in this approach.

In 2003, CA-AM strengthened its SRI capability and now has a five-strong dedicated management team which draws on all CA-AM's investment expertise. To ensure an independent and objective approach, the management team is supported by a steering committee comprising outside sustainable development specialists. Access to external specialist research through a partnership with the two rating agencies, Eiris and Vigeo, is a further guarantee of independence.

CA-AM has also developed its commitment policy, which is a policy practised by portfolio managers to enhance the value of their investments by encouraging the companies concerned to improve their corporate governance systems, environmental risk management, or their image through more ethical practices. As part of this policy, CA-AM has joined the Pharmaceutical Shareowners Group, takes part in the Carbon Disclosure Project and is a member of market associations involved in socially responsible investment.

CLAM also reinforced its involvement in SRI in 2003, with the creation of I.DE.A.M which offers a range of SRI funds. Its management philosophy is based on stock screening according to sustainable development criteria, supported by disciplined processes which can be tailored to the demands of different customer groups, such as French and international institutional investors, corporate investors or retail investors.

Quality approach

Several Group companies have embarked on a quality approach. Crédit Lyonnais Asset Management actively pursued its policy of improving the quality of its procedures and services during 2003. Sofinco also made some serious commitments as part of its ISO 9001 certification obtained in 2002.

CLAM quality certificates

CLAM has a global ISO 9001 version 2000 certificate plus four local certificates, including a renewal for CLAM Finance, fund administration and CL Epargne Entreprise, plus a new certificate for reporting. It is the first time that such a broad scope of activities (250 people) has obtained certification in the asset management world.

CLAM's Customer Service department has an ISO 9001 version 2000 certificate covering all its services: contractual documentation (drafting investment agreements, management mandates, etc. for direct customers), authorisations and powers for people placing stock market orders, stock market orders for direct clients, management mandate fees and fee sharing with distributors, information availability, and management of client requests.



CLAM Immobilier

CLAM Immobilier, a subsidiary of CLAM specialising in property management services, was the first company in its sector to obtain an ISO 9001 version 2000 certificate covering all its services: relations with the partners of property investment trusts, management of the property estate, accounting, etc.

Sofinco: customer processing

Sofinco's mass consumer business obtained ISO 9001 version 2000 certification in 2002. Sofinco has made three key commitments in this respect: a quality approach at all levels of the company, introduction of a single consumer relations department working in association with the industry's ombudsman, and, lastly, friendly and personalised handling of payment incidents. The quality approach focuses both on products offered to customers and on the company's organisation and management.

Sub-contracting and purchasing

Crédit Agricole S.A. companies outsource services which have no direct relationship with their core businesses (e.g. catering, cleaning, security), and certain other services either requiring highly specialised skills which are not available in-house (e.g. information systems development and maintenance, electronic payments security) or which can be provided outside the Group at cheaper cost for equal or better quality.

Good sub-contracting practices have been drawn up for the Group as a whole, to ensure optimum recourse to these services as required and to maintain proper control. Outside France, each business unit is responsible for its own sub-contracting practices, which must comply with all local legislation and the provisions of International Labour Organisation (ILO) agreements.

Rules of conduct have been drawn up to govern employees' relations with external suppliers of equipment, works and services. These rules principally concern the avoidance of conflicts of interest where the employee has a personal interest or decision-making role in the supplier company, gifts and invitations, and confidentiality of information received.



Environment

Diversified types of actions for a sharp involvement

Crédit Agricole became involved in environmental protection issues very early on, through the role it plays in financing agriculture.

A commercial offering focusing on the environment

During 2003, Crédit Agricole developed an 'environment loan' aimed at companies, local authorities, farmers and professionals, regardless of their business sector and size. The loans are designed to finance investment projects with an environmental focus and are structured to meet needs at all stages of the project in one single agreement. For several years now, the Group's lease finance business has also offered special loans to finance renewable energy facilities, such as windmills, co-generation plants and waste processing plants.

Supporting environmentally-friendly agriculture

In 2001, Crédit Agricole, in partnership with FARRE (Forum for integrated, environmentally-friendly agriculture), organised a competition to reward and promote environmentally-friendly agricultural initiatives. During 2003, Crédit Agricole undertook to renew the competition in 2004, reflecting its strong support for those working towards economically viable and ecologically responsible agriculture. From 2004, Crédit Agricole will further support the development of integrated agriculture by financing a proportion of the fees incurred in obtaining certification.

Forestry protection

Crédit Agricole owns 7,000 hectares of forest land in France, which it operates in accordance with a sustainable management charter. The timber from its forests therefore carries the European PEFC label, an assurance for users and consumers of its sustainable management origins.

Internal approach

As a provider of financial products, the Crédit Agricole S.A. Group is by nature less affected by environmental issues than industrial companies.

The Group has embarked on a plan to reduce its consumption of commodities. For example in 2003, it launched a programme to recover used batteries and photocopier/printer cartridges in some of its Paris region offices. Other measures will be introduced in 2004, such as paper collection and recycling. From 2004, the Group will also begin to monitor and control its consumption of certain commodities, and more particularly energy.



Crédit Agricole S.A. and its shareholders

Movements in share capital

The alliance with Crédit Lyonnais, which resulted in a public offer for the entire share capital of Crédit Lyonnais on 16 December 2002, has radically modified Crédit Agricole S.A.'s share capital and ownership structure.

The share capital was increased three times in 2003:

- In June, 353,285,738 new shares were allotted to the holders of Crédit Lyonnais shares tendered to the mixed cash-and-share offer made by Crédit Agricole S.A. for Crédit Lyonnais;
- In October, 25,233,264 new shares were allotted to employees of the Crédit Agricole Group;
- In November, 122,793,536 new shares were allotted pursuant to a rights issue.

After these operations, the share capital of Crédit Agricole S.A. was € 4,420,567,311, divided into 1,473,522,437 shares.

To the company's knowledge, the ownership of the share capital and voting rights at 31 December 2003 was as follows:

Shareholder	Number of shares	% of share capital	% of voting rights
SAS Rue la Boétie	771,841,801	52.38	52.41
SNC Crédit Agricole Transactions	14,771,187	1.00	1.00
Treasury shares	15,681,762	1.07	-
o/w			
- held on own account	745,968		-
- held to cover stock options and repurchase commitments	14,935,794		1.01
Employee share ownership plan	73,011,167	4.95	4.96
AGF	45,124,000	3.06	3.06
Institutional investors	376,560,712	25.56	25.57
Retail shareholders	157,031,614	10.66	10.67
Unidentified	19,500,194	1.32	1.32
Total	1,473,522,437	100%	100%

To the company's knowledge, no other shareholder owns 5% or more of the share capital or voting rights either directly, indirectly or in concert.

There are no shareholders' agreements.

Share price performance since 14 December 2001

Comparison with the DJ Euro Stoxx Bank and CAC 40 (indexes recalculated on the basis of Crédit Agricole S.A.'s IPO price)



Trends in share price and trading volumes since flotation on 14 December 2001



Share price performance

Background

Crédit Agricole S.A. shares made their stock market debut on 14 December 2001, at a price of € 16.60. On the first day of trading, they gained 4.7% to close at € 17.39, with 42 million shares traded. The shares ended the year at € 17.79.

2002 was a particularly bad year for the economy and the financial markets. Against this background, Crédit Agricole S.A. shares had a very satisfactory first half, outperforming the CAC 40 index and making strong gains in March 2002. During the financial markets crisis in the second half, the shares followed the general downward trend but proved relatively resilient to the difficult conditions. They ended the year at € 14.38, shedding only 18.7% compared with 33.7% for the CAC 40. The shares joined the CAC 40 on 6 August, less than eight months after their initial public offering, triggering brisk trading on 5 August, with 26.7 million shares changing hands. On 16 December 2002, Crédit Agricole S.A. made an offer for Crédit Lyonnais.

2003 was a better year for the markets generally. Crédit Agricole S.A. shares gained 31.6%, ending the year at € 18.93. This was the ninth best performance among CAC 40 stocks and compares with a gain of 16.1% for the CAC 40, which closed at 3557.9 on 31 December 2003. This performance is all the more creditable in that it was achieved during an eventful period for the Group, which could have put pressure on the share price: new share issues following the offer for Crédit Lyonnais and the CAC 40's move to free-float weightings which slightly reduced Crédit Agricole S.A.'s weighting in the index. During the year, the number of shares increased by 51% and market capitalisation doubled, rising from € 14 billion on 31 December 2002 to € 28 billion one year later.

Since the beginning of 2004, the shares have continued to gain, closing at € 21.50 on 12 March 2004.

Share data

	31/12/2003	31/12/2002
Number of shares in issue	1,473,522,437	972,209,899
Market capitalisation (€ billion)	27.89	13.98
EPS (€)	1.79 ⁽¹⁾	1.41 ⁽²⁾
BVPS (€)	15.45	15.12
P/BV	1.22	0.95
P/E	11.61	10.35
Year's high and low (€)		
High	18.95	24.70
Low	12.65	14.24
Close	18.93	14.38

(1) Pro forma net income-Group share before goodwill amortisation and integration-related costs divided by the weighted average number of shares in issue.

(2) Net income-Group share before goodwill amortisation divided by the weighted average number of shares in issue.

Trading in Crédit Agricole S.A. shares

A total of 835.6 million shares were traded during 2003 for a value of € 13.87 billion. Monthly trading volumes ranged from 26.1 million to 104.3 million shares.

Trading in Crédit Agricole S.A. shares (in €)

2003	High	Date	Low	Date	Average closing price	Average daily trading volume
Q1	15.68	16/01/2003	12.65	11/03/2003	14.34	1,588,549
Q2	18.12	03/06/2003	14.43	01/04/2003	16.64	3,489,000
Q3	18.70	15/08/2003	16.21	01/07/2003	17.29	3,677,675
Q4	18.95	19/12/2003	16.73	02/10/2003	18.10	4,320,106

Dividends

Crédit Agricole S.A. paid a dividend per share of €0.55 for 2001 and 2002. For 2003, the dividend will be maintained at €0.55 euro (€0.825 including a 50% tax credit), subject to approval at the Annual General Meeting of 19 May 2004. The total payout will therefore amount to €810 million.

Amount (€)	2003	2002	2001
Net dividend per share	0.55	0.55	0.55
Total payout	0.825	0.825	0.825

Total shareholder return

The table below shows total shareholder return for retail investors in Crédit Agricole S.A. shares. The calculation is based on the share price at the time of investment (initial public offering on 14 December 2001 or beginning of the period in other cases), with gross dividends (inclusive of tax credit) reinvested. It also assumes that investors took up the rights issue at the end of October 2003 on the basis of one new share at a price of €16.07 for every eleven shares held. All figures are before tax.

By way of example, a shareholder who invested in Crédit Agricole S.A. shares at the time of the IPO and reinvested all dividends received would have achieved an average annualised return of 10.76% at the end of 2003.

Holding period	Cumulative gross return	Average annualised return
1 year (2003)	32.15%	32.15%
2 years (2002-2003)	16.19%	7.79%
Since 14 December 2001 *	23.21%	10.76%

* IPO at €16.60

Treasury shares

The table below summarises movements in treasury shares held by Crédit Agricole S.A.

At 31 December 2003, all treasury shares purchased under the share buyback programme were allocated to cover stock option commitments.

At the time of the rights issue in November 2003, Crédit Agricole S.A. sold 2,310,599 rights at an average selling price of €0.1725.

In early January 2004, Crédit Agricole S.A. bought 13,371,163 treasury shares at an average purchase price of €18.14.

Retail shareholders

Communications with retail shareholders: a close relationship

Crédit Agricole S.A. now has almost 1.8 million retail shareholders representing about 25% of the free float, giving it the largest retail investor base among CAC 40 companies.

Crédit Agricole S.A. aims to establish a close relationship with its retail shareholders, based on high-quality, regular information geared to their specific needs. With this in mind, immediately upon its flotation on the stock market the Group launched a website (www.credit-agricole-sa.fr) and a freephone number (0 800 000 777) dedicated to its retail shareholders. In 2003, the freephone number took an average of 12,000 calls a month, 1,000 of which gave rise to a discussion with a member of the Retail Shareholder Relations team.

Treasury shares

The table below summarises movements in treasury shares held by Crédit Agricole S.A.

	Quantity	Net book value Per share	Total	Trading fees	Percentage of share capital
Opening balance	745,968	14.42	10,758,929.16		0.077%
Purchased during the year	1,566,470	16.9	26,473,343	30,510	
Closing balance	2,310,599	14.59	33,711,639.41		0.157%

In 2002, to strengthen relations with its retail investors, Crédit Agricole S.A. created a Shareholders' Club, which is open to holders of more than 50 bearer shares or 1 share in the case of registered and employee shareholders. The Club has proved a huge success, with almost 90,000 holders of bearer shares joining upon its creation. Including registered shareholders and new shareholders joining since the offer for Crédit Lyonnais, the Club now has 130,000 members.

The Club aims to be both informative and educational, for example by helping members learn more about the company, its organisation and businesses, familiarising them with the workings of the stock market and providing information about the state of the economy.

Communication channels include a summary of the annual report, a Letter to Shareholders issued three or four times a year, and the Shareholders' Guide, which is updated once a year. Club members are also invited to investor meetings in Paris and the provinces, which include stock market training sessions organised in association with IFCAM, the Crédit Agricole group's business school, presentations on the state of the economy given by Crédit Agricole S.A.'s economists, presentations on more specific topics such as estate inheritance, given by the Group's specialists in the field, and finally, visits to the Group's premises, particularly its dealing rooms.

Four meetings were held in 2003 in Bordeaux, Marseille, Nantes and Paris, giving almost 5,000 shareholders the opportunity to talk to senior managers of Crédit Agricole S.A.

Lastly, Crédit Agricole S.A. has created a retail shareholders' Consultative Committee, which held its first meeting in September 2003. It comprises 13 shareholders from across France who are representative of Crédit Agricole S.A.'s retail investor base. Two of these shareholders were members of a similar Committee which previously existed within Crédit Lyonnais. The Committee aims to help improve communications between the company and its retail shareholders by contributing to a better understanding of their expectations and to ongoing improvements in communication channels.



2nd prize for retail shareholder relations

Crédit Agricole S.A. won the second prize for retail shareholder relations awarded by the magazine 'La Vie Financière'. These awards are designed to assess the effectiveness of communications between listed companies and their retail shareholders, based on criteria such as speed, reliability and user friendliness.

Institutional investors

During 2003, the Institutional Investor Relations team provided substantial support for the Group's various business projects, first and foremost its friendly bid for Crédit Lyonnais.

Meanwhile, it continued to promote awareness of Crédit Agricole S.A. shares and the Group within the international institutional investor community. Many roadshows were organised, particularly in the United Kingdom, United States and continental Europe, run either by the Group's management or the Institutional Investor Relations team. These roadshows have helped establish a broad base of international investors. The team also made presentations to Asian investors in Singapore and Hong Kong, and investors in Canada.

In January 2003, presentations were made in Europe and Asia at the time of the Group's first preferred share issue. In June 2003, a roadshow was arranged in the United Kingdom for the placement of a € 750 million issue of perpetual subordinated notes, the biggest in the market at the time.

Lastly, in August, Crédit Agricole S.A. and Crédit Lyonnais combined their Institutional Investor Relations teams, the first in the new Group to do so. The reorganisation has given a new impetus to this activity amid a background of increased market demand following strong growth in the Crédit Agricole S.A. group's market capitalisation.

2004 Financial Calendar

10 March	Publication of 2003 annual results
14 May	Publication of 2004 first-quarter results
19 May	Annual General Meeting of shareholders
8 September	Publication of 2004 half-year results
17 November	Publication of 2004 nine-month results

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Members of the Consultative Committee

Front row:

Francisco Cruz
Pierre Laguilhon
Anne-Marie Martin
Martine Fouache
René Carron, chairman
Evelyne Guilhem
Bernard Leseur
Didier Lignon
Christophe Féral

Back row:

Jean-Claude Bonetti
Jean Beaujouan
Roger Chnaud
Michel Maréchal
Alexandre Essayan
Yves Chevillotte,
Deputy Chief Executive Officer*

* Yves Chevillotte opted to retire
in November 2003.