



ACTIVITY
REPORT
2016



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A WHOLE BANK JUST FOR YOU

Thanks to its **universal customer-focused banking model** – based on close cooperation between its retail banks and its specialised business lines – reaffirmed by its new “A whole bank just for you” brand signature, Crédit Agricole helps its customers realise all their personal and business projects. It does so by offering them an extensive range of services consisting of day-to-day banking, loans, savings products, insurance, asset management, real estate, leasing and factoring, corporate and investment banking, issuer and investor services.

Serving **52 million customers worldwide**, it also stands out on account of its distribution model, multi-channel customer-focused banking, and the efforts of its **138,000 employees**, who make Crédit Agricole the customer relationship-based Bank.

Built on its strong cooperative and mutual foundations and led by its **9.3 million mutual shareholders** and almost **31,000 directors** of its Local and Regional Banks, Crédit Agricole’s organisational model gives it stability and staying power. It also draws its strength from its values of transparency, customer focus, accountability and openness to the world and from local communities, which it has cultivated over 120 years.

Crédit Agricole’s corporate social responsibility policy lies at the heart of its identity as a helpful and responsive Bank over the long term. It is reflected in its products and services and informs the actions of all its business lines. It is a key factor contributing to overall performance and a powerful innovation driver.

Crédit Agricole Group extends its leadership year after year. It is the number one provider of financing to the French economy and the number one insurer in France. It is also the first bancassurer in Europe, the first European asset manager and the world’s second-largest provider of green financing.

52 M
CUSTOMERS

50
COUNTRIES

138,000
EMPLOYEES

9.3 M
MUTUAL
SHAREHOLDERS

31,000
DIRECTORS

GROUP'S ORGANISATION

9.3 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of the **2,471 Local Banks** in the form of mutual shares and they designate their representatives each year. Almost **31,000 directors** carry their expectations.

The Local Banks own the majority of the **39 Regional Banks'** share capital.

The 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.** (56.6%). Crédit Agricole S.A. coordinates in relation with its specialist subsidiaries the various business lines' strategies in France and abroad.

THE RETAIL BANK

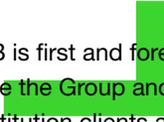
THE SPECIALISED BUSINESS LINES



Other specialised subsidiaries:
Crédit Agricole Capital
Investissement & Finance
(Idia, Sodica), Uni-éditions




**ORCHESTRATING ITS EXPERTISE, UPHOLDING ITS
COMMITMENTS, AND INNOVATING TO SERVE ITS CLIENTS,
EMPLOYEES AND CIVIL SOCIETY.
FINANCE, LIKE OPERA AND THE VISUAL ARTS, FOSTERS
BOLDNESS, CREATIVITY, HARMONY
AND THE PURSUIT OF EXCELLENCE.**



Crédit Agricole CIB is first and foremost a community
of experts who serve the Group and its major corporate
and financial institution clients around the world.



It is also an innovative Bank that anticipates
its clients' needs and is deeply involved in developing
its employees and financing the energy transition.

Join us for a tour of the highlights of the year.



— ORCHESTRATE —



ORCHESTRATE

LES ARTS FLORISSANTS

The Bank supports the world-renowned Les Arts Florissants, the baroque ensemble founded by William Christie, to encourage young artists and promote French excellence worldwide.

100
performances
a year

THE JARDIN DES VOIX ACADEMY IS HELD EVERY TWO YEARS.

The ensemble selects young singers from around the world whenever it is on tour. It goes without saying that these young people in the early stages of their careers not only have beautiful voices, but they also have a lot of charisma.

“One of the most impressive characteristics of the baroque period is the bold way in which artists crossed disciplines”.

WILLIAM CHRISTIE,
Musical Director of Les Arts Florissants



ORCHESTRATING SYNERGIES



The Group's Strategic Plan sets the tone: the synergies between our expertise and our sites and with the Group's entities drive growth and value added for our clients. Their needs and our responses thus align in perfect harmony.



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MESSAGE FROM THE CHAIRMAN

PHILIPPE BRASSAC

Chairman of the Board of Directors of Crédit Agricole CIB

The year 2016 was a key one in terms of change. First, we unveiled our “Strategic Ambition 2020” medium-term plan, together with one of its major achievements: streamlining the Group’s organisational structure. This involved transferring the stake held by Crédit Agricole S.A. in the Regional Banks to a common venture, Sacam Mutualisation. This clarified Crédit Agricole Group’s structure and normalised Crédit Agricole S.A.’s solvency. The Group is one of the strongest banks in Europe. We would also like to highlight the proposed acquisition of Pioneer Investments, which will make Amundi the eighth-largest asset management company in the world. On a completely different note, we were the first to issue a new type of senior non-preferred debt under the Sapin 2 Law to comply with bank Resolution rules. These projects illustrate the Group’s agility, and its ability to adapt, change and conduct major strategic operations in tight time frames.

“The Group is one of the strongest banks in Europe”.

Our results were consistent with the projections we had made following a careful analysis of our environment. The results published for 2016 are strong, and confirm the relevance of our prudential roadmap. The business lines reported excellent commercial and financial performances. Momentum was particularly strong for the Premium Clients solutions’ activities in a constrained regulatory environment. Underlying net banking income rose by 5.5% year on year. We believe in our strengths and in mobilising all Group employees to continue making Crédit Agricole a key player in the economic development of its host countries.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

JEAN-YVES HOCHER

Chief Executive Officer of Crédit Agricole CIB

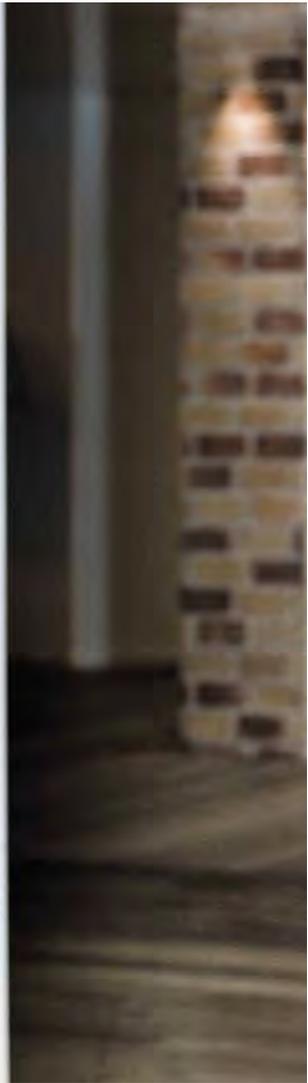
Our results for 2016 were highly satisfactory. With costs under control and significant revenue growth, Crédit Agricole CIB is in line with the goals set by our “Strategic Ambition 2020” medium-term plan.

Crédit Agricole CIB maintained its strong positions thanks to the recognised expertise of its financing business lines, and gained ground in the capital markets and investment banking business lines. The Bank is now ready to face future regulatory challenges.

Our strength lies in our coordinated commercial approach to supporting our partners and clients. These include clients of the Regional Banks, LCL, Cariparma and all the other Crédit Agricole Group entities, as well as large corporates and institutional investors.

The creation in 2016 of the Premium Client Solutions offer with CACEIS Investor Services, Indosuez Wealth Management and Crédit Agricole Private Banking Services marks a new phase in the integration of our advisory, financing, investment and asset servicing expertise, with the aim of providing a benefit to our clients. With its robust and efficient business model, Crédit Agricole CIB participates fully in the Group’s growth momentum to serve its clients all over the world.





“The Bank is now ready to face future regulatory challenges”.

CREATING VALUE FOR OUR CLIENTS

In the last few years, Crédit Agricole CIB has undergone a radical transformation to make it more efficient and profitable. By aligning with its clients' expectations, in a context of strict regulatory constraints, in 2011 the Bank began to refocus on its expertise and on regions where it has a long-standing presence. Crédit Agricole CIB has operated under a sound business model that combines a coordinated and selective commercial approach, a low-risk strategy and greater synergies within Crédit Agricole Group.

CRÉDIT AGRICOLE GROUP

ORCHESTRATE



1 - Source: Thomson Financial 31/12/2016, any French involvement
 2 - Source: Thomson Financial 31/12/2016
 3 - Source: Dealogic 31/12/2016
 4 - Source: Air Finance Journal, April 2016
 5 - Source: Crédit Agricole CIB
 6 - Source: CP Ware & Banque de France

CRÉDIT AGRICOLE GROUP

11th

LARGEST BANK WORLDWIDE
MEASURED BY TIER 1 CAPITAL

(The Banker, July 2016)

CORPORATE AND INVESTMENT BANK

ROOTED
IN EUROPE WITH
GLOBAL AMBITIONS

BACKED
BY CRÉDIT AGRICOLE
GROUP

WITH A LOW-RISK
STRATEGY FOR THE
CAPITAL MARKETS
ACTIVITIES

**BREAKDOWN OF OUR NBI
BY REGION**

64%
Europe

18%
Americas

16%
Asia-Pacific

2%
Middle East
and North Africa

**CRÉDIT AGRICOLE S.A.
RATINGS**

short term long term

Standard & Poor's
December 2015

A-1 | **A**
stable outlook

Fitch Ratings
June 2016

F1 | **A**
positive outlook

Moody's
July 2016

P-1 | **A1**
stable outlook

AVERAGE VaR IN 2016:

€13m

for Crédit Agricole CIB
compared with
the average of its French
peers of **€21m**

OVERVIEW

2016

The economic environment in 2016 was affected by a good deal of uncertainty due to some major political events: at times, Brexit, the US presidential elections and the referendum in Italy caused volatility in the financial markets.

In this complex environment, the slowdown in the energy and shipping sectors over the year led to a significantly higher cost of risk for the Bank. The regulatory environment, which is still very demanding, required all corporate and investment banks to adapt.

In 2016, Crédit Agricole CIB's revenues rose by 8% year-on-year, driven mainly by the very strong performance in the capital markets activities and healthy revenues in corporate banking, despite the difficult market environment.

In corporate banking, Crédit Agricole CIB confirmed its position as the leader in aircraft¹ financing and took fourth place both worldwide and in the EMEA region² in project finance. The Bank also distinguished itself this year through significant acquisition financing transactions for players such as Fnac, Vente Privée and Altice.

In its capital markets activities, the Bank moved up from sixth to fourth place among bookrunners for all euro-denominated bond issues worldwide².

In investment banking, the Bank made some significant deals in M&A and in Equity Capital Markets. Furthermore, Crédit Agricole CIB confirmed its expertise in green financing and placed second worldwide as green bond bookrunner³. The Bank carried out some major transactions for the Asian Development Bank, Bank of China and EDF, for example.

In line with the objectives of the 2016-2019 medium-term plan, a selective approach was taken to growing the corporate client base by further expanding the range of services offered. The process of increasing the importance of financial institutions in the portfolio is well underway, thanks to the strong growth in the repo business this year, with Crédit Agricole CIB coming in second place worldwide (versus sixth in 2015) as bookrunner for euro-denominated bond issues for financial institutions². 2016 was also the year in which the Premium Client Solutions became a reality, a move intended to strengthen and systematise the commercial synergies between Crédit Agricole CIB, CACEIS Investor Services and Indosuez Wealth Management.

One of the initiatives of this Division has been to create a joint offer for private equity, real estate and infrastructure funds that relies on the expertise of all three entities.

Crédit Agricole CIB has continued to develop worldwide by consolidating its franchise in the United States and in Asia for both corporate clients and financial institutions. It has also strengthened its client coverage in the Middle East. Finally, in 2016 the Bank made its move to the two main campuses of the Crédit Agricole Group, Evergreen in Montrouge and SQY Park in Saint-Quentin-en-Yvelines.

**PERFORMANCES IN LINE
WITH MTP TARGETS:**

3%

**IMPROVEMENT IN TOTAL
COMMERCIAL NBI**

(1) Source: Air Finance Journal, for the period from 22 March 2015 to 21 March 2016

(2) Source: Thomson Reuters

(3) Source: Crédit Agricole CIB

INCOME STATEMENT HIGHLIGHTS

€ million	2016	2015
NET BANKING INCOME	4,427	4,106
GROSS OPERATING INCOME	1,902	1,624
NET INCOME GROUP SHARE	1,326	1,017

Restated CIB: Restated for loan hedges and impact of DVA in NBI, for legal provision in cost of risk in 2016 and for OFAC litigation provision in cost of risk in 2015.

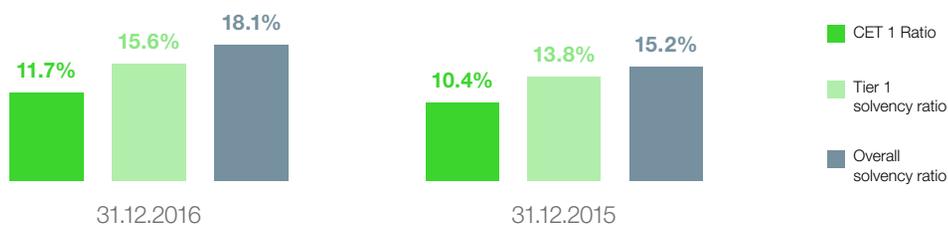
HEADCOUNT BY REGION AT 31/12/2016



FINANCIAL STRUCTURE

€ billion	31.12.2016	31.12.2015
SHAREHOLDERS' EQUITY <i>(including income)</i>	19.6	17.5
TIER 1 CAPITAL	19.2	17.2
BASEL III RISK-WEIGHTED ASSETS	123.2	124.3

SOLVENCY RATIOS



STRATEGIC AMBITION 2020 PLAN WORKING TO SERVE OUR CLIENTS

We aim to build long-term relationships of trust with our preferred clients. Our “Strategic Ambition 2020” plan therefore includes targets for growing our core businesses and strengthening our international franchises. One of our priorities is to improve our commercial approach, which will involve implementing new sector-specific coverage and creating a single point of entry for private equity funds.

ROBUST BUSINESS LINES



ENCOURAGE INNOVATION FOR OUR CLIENTS

In the second half of 2016, Crédit Agricole CIB launched an innovation initiative known as IDEA which is based on four pillars: involvement of all employees, creation of communities, monitoring, and environments that foster creativity. Another source of innovation for Crédit Agricole CIB is its relationship with Le Village by CA, an incubator that has backed nearly 200 start-ups and that was founded by Crédit Agricole in June 2014. In partnering with Le Village by CA, Crédit Agricole CIB supported the development of Le Village by CA in New York and in Asia by encouraging a number of initiatives.

RECOGNISED EXPERTISE IN 2016

GLOBAL MARKETS AND INVESTMENT BANKING



Covered Bond Euro House
(IFR Awards)

—
SRI Bond House of the Year
(IFR Awards)

—
**Most Impressive Bank for Green SRI
Capital Market 2014, 2015 and 2016**
(GlobalCapital)

—
Best green bond house
(CMD Portal)

—
Best Arranger of Euro PPs
(GlobalCapital)

FINANCING ACTIVITIES



Bank of the year – Europe
(Project Finance International)

—
Global Bank of the Year
(Infrastructure Investor)

—
**Best arranger euro private
placements of the year**
(GlobalCapital)

—
Transport finance house of the year
(Global Transportation Finance)

—
**Rail Finance House of the year
2011, 2012, 2014, 2015, 2016**
(Global Transport Finance)

LARGE CORPORATES OFFERING

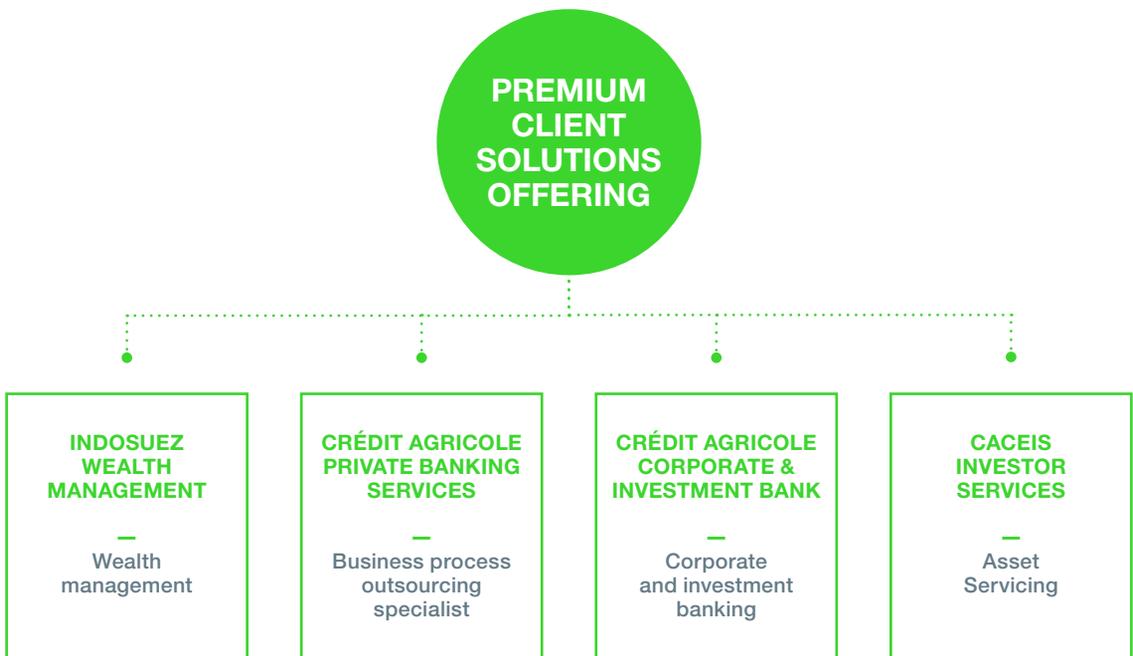
Crédit Agricole Group, with its Crédit Agricole CIB, CACEIS Investor Services, CA Private Banking Services and Indosuez Wealth Management subsidiaries, provides integrated advisory, financing, investment and asset servicing solutions, combined into a single dedicated offering: Premium Client Solutions. This new offering was created in 2016 under the “Strategic Ambition 2020” medium-term plan to meet the needs of the Group’s major clients, who would like to be able to access a comprehensive range of services.

“The Premium Client Solutions offering is an ambitious client project that is fully consistent with the goals of the “Strategic Ambition 2020” plan. Since its launch, this offering has met with great success among clients as varied as private equity funds, mid-sized companies, large corporates and financial institutions.”

JEAN-YVES HOCHER

AN INTEGRATED OFFERING

The Premium Client Solutions offering brings together four entities: Crédit Agricole CIB, CACEIS Investor Services, Private Banking with Indosuez Wealth Management, and Crédit Agricole Private Banking Services. Crédit Agricole CIB offers clients all its Corporate and Investment Bank products and services in more than 30 countries. CACEIS Investor Services provides post-trade functions for all asset classes thanks to its strong IT infrastructure. Indosuez Wealth Management has a comprehensive offering in the wealth management businesses both in France and abroad. Lastly, Crédit Agricole Private Banking Services is a leader in back-office and IT outsourcing services for private banks.





A COMPREHENSIVE JOINT COMMERCIAL OFFERING

Crédit Agricole Group aims to be the trusted partner of its major clients, both borrowers and investors, by using its expertise and global network to help them grow.

AN EFFECTIVE COMMERCIAL APPROACH

Initial successes:

By joining forces, the entities helped us achieve some initial commercial successes in a variety of customer segments.

CORPORATE CLIENTS

Soufflet: a French agribusiness concern specialising in grain procurement, trading and processing. The leading private grain buyer in Europe, 4.4 million tonnes procured in France and more than 1 million tonnes internationally.

Korian: French company that manages nursing homes, specialised clinics, assisted living facilities and home care.

INSURANCE

Thelem Assurance, Monceau Assurance

PRIVATE EQUITY FUNDS

Apax, Carlyle, Astorg, Pai Partners, Ardian

ASTORG, A SUCCESS STORY FOR THE PRIVATE EQUITY SERVICES BRANCH

In 2016, the Astorg management company closed fundraising for the Astorg VI fund after raising more than €2 billion from world-class investors.

Astorg announced the simultaneous establishment of an equity bridge facility totalling €800 million, arranged and financed primarily by the teams at Crédit Agricole CIB and CACEIS Investor Services. The two entities combined their know-how to support Astorg.

With this transaction, CACEIS Investor Services became the depositary for the new Astorg fund and, as such, it manages the entire relationship and all the flows between the management company and the fund's investors.

A PRESENCE ON THE GLOBAL STAGE

We put our expertise to work for more than 1,150 companies and 525 financial institutions through our international network active in 32 different countries.



16 COUNTRIES

EUROPE

- Austria
- Belgium
- Finland
- France
- Germany
- Greece
- Italy

- Luxembourg
- Netherlands
- Norway
- Portugal
- Russia
- Spain
- Sweden
- Switzerland
- United Kingdom

3 COUNTRIES

MIDDLE EAST

- Saudi Arabia
- United Arab Emirates

NORTH AFRICA

- Algeria



4,936*

MILLION EUROS IN CIB
NET BANKING INCOME
IN 2016

1,182*

MILLION EUROS IN CIB
NET INCOME GROUP
SHARE IN 2016

7,395*

EMPLOYEES (FTE)

32*

COUNTRIES

1,150*

CORPORATE CLIENTS

525*

FINANCIAL INSTITUTION
CLIENTS

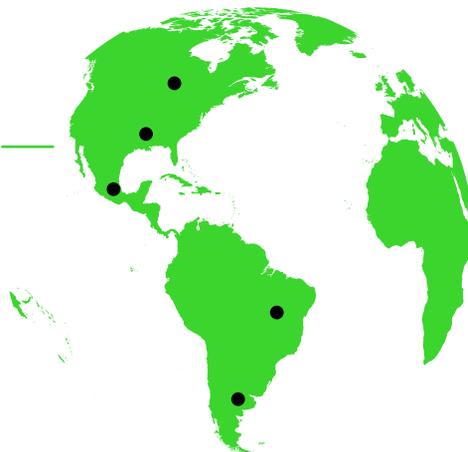
* EXCLUDING PRIVATE BANKING

5

COUNTRIES

AMERICAS

—
Argentina
Brazil
Canada
Mexico
United States



8

COUNTRIES

**ASIA
PACIFIC**

—
Australia
China
Hong Kong
India
Japan
Singapore
South Korea
Taiwan



— ON THE STAGE —





ON THE STAGE

CHÂTELET

The Bank has supported the Théâtre du Châtelet's musical productions since 2009. "42nd Street" was part of the 2016 season and had a highly successful 50-performance run in Paris.

Crédit Agricole CIB has sponsored the Théâtre du Châtelet for seven years in a row and is a loyal and passionate partner.

7

shows supported



“A long-standing partnership to ensure an ambitious arts policy”.

JEAN-LUC CHOPLIN,
Artistic Director of the Théâtre du Châtelet



A LARGE INTERNATIONAL NETWORK

●

With deep roots in Europe, growth momentum confirmed in the Middle East & Africa region, Crédit Agricole has a strong franchise in the Americas and a robust growth in Asia.

A large international network of business professionals in a modern office building. The scene is set in a bright, high-ceilinged atrium with floor-to-ceiling glass walls. Outside, a lush green courtyard with various trees and plants is visible. Inside, a group of approximately 15 business professionals, including men and women in dark suits, are engaged in conversations. Some are holding tablets or documents. The floor is a light-colored, polished material that reflects the light from the windows. The overall atmosphere is professional and collaborative.

A LARGE INTERNATIONAL NETWORK

•

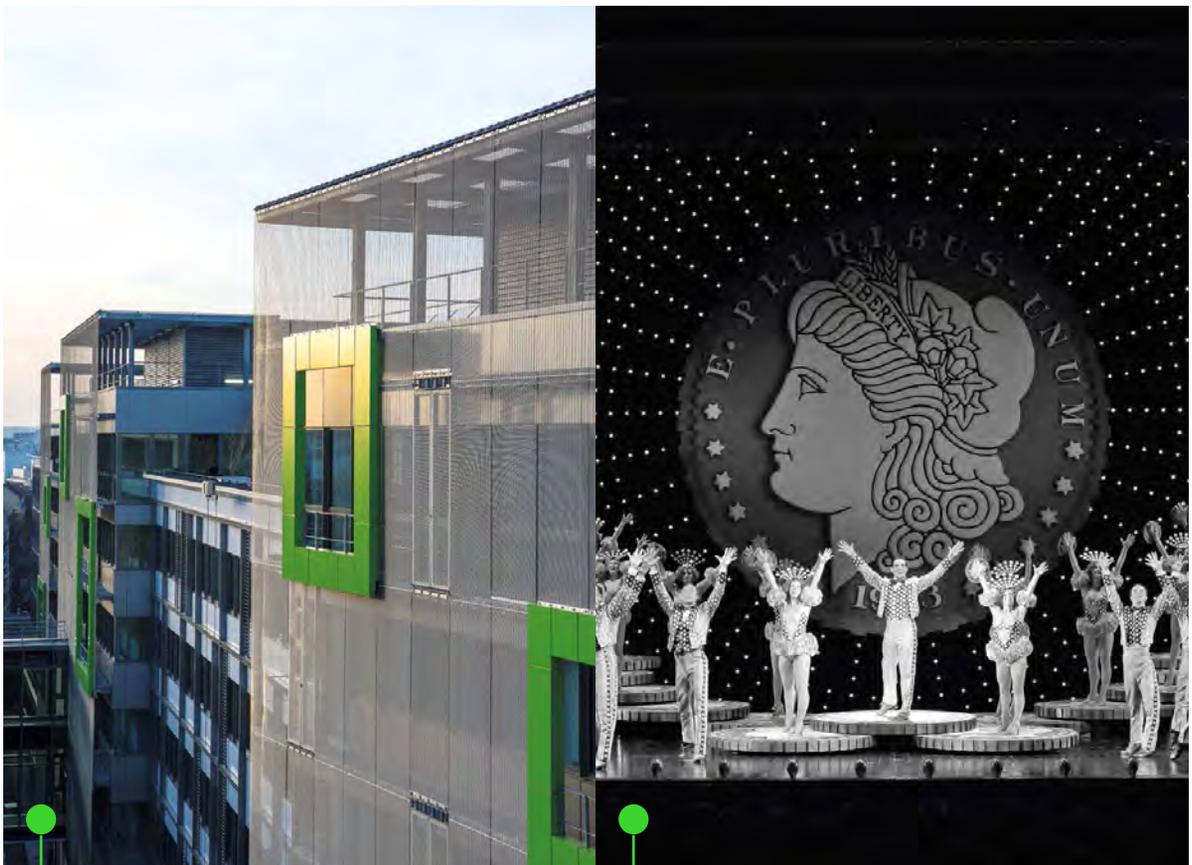
**With deep roots in Europe,
growth momentum confirmed
in the Middle East & Africa
region, Cr dit Agricole
has a strong franchise
in the Americas and a robust
growth in Asia.**

SUPPORTING DARING AND INNOVATION AROUND THE WORLD

A BEHIND-THE-SCENES LOOK AT OUR 2016 ACTIONS

Just as Crédit Agricole CIB endeavours to support its clients around the world, art deserves to be supported and shared across borders. Last year, our experts once again fostered boldness and innovation to serve their major clients, and we supported institutions and works of art that dared surprise their audiences.

ON THE STAGE



EUROPE

16 locations across Europe to serve our clients.

THÉÂTRE DU CHÂTELET

Crédit Agricole CIB supports one production by the Théâtre du Châtelet each year. In 2016, the musical "42nd Street" was a major hit.

LES ARTS FLORISSANTS

An ongoing partnership enables Les Arts Florissants to perform around the world, from the Philharmonie de Paris to the Lincoln Center in New York.



AMERICAS

5 locations to support our clients.



AFRICA AND MIDDLE EAST, ASIA-PACIFIC COUNTRIES

Our presence in 11 countries to finance major international projects.



MUSÉE DU QUAI BRANLY

A long-standing partnership with the institution to promote primitive art from Africa, Asia, Oceania and the Americas.

EUROPE OVERVIEW

899

priority
clients

+8.7%

increase
in commercial
revenues
(Europe + France)

64.2%

of total
commercial NBI
(France included)



AWARDS AND RANKINGS

European Bank of the year
PFI Awards 2016

—
First bookrunner in the Euro private
placement market (*Dealogic*)

—
First bookrunner for ABCP
securitisation in Europe (*CPWare*)

—
European Bank of the year 2016
for aircraft finance
(*Airline Economics*)

A STRONG EUROPEAN BASE

In Europe, Crédit Agricole CIB supported large European and non-European players, Asian in particular, in their growth projects throughout 2016. The commercial momentum was especially strong in Germany, the Nordic countries and France.

The Bank has a strong base in Europe and obtained many mandates in the region, whether in financing or market activities, with for instance issues in the Euro PP market, green bonds, etc. It confirmed its expertise in cross border transactions, especially by taking advantage of the synergies between its own entities, and more widely with Crédit Agricole Group entities.

STRENGTHS

A HISTORICAL REGIONAL
BASE AND AN IN-DEPTH
KNOWLEDGE OF ITS CLIENTS
AND BUSINESS SECTORS

A COMPLETE PRODUCT
AND SERVICES OFFERING
IN FINANCING
AND MARKET ACTIVITIES

LEADING POSITIONS
IN PROJECT FINANCE
AND IN PARTICULAR IN THE
TRANSPORT AND RENEWABLE
ENERGY SECTORS

A REFERENCE BANK FOR LARGE EUROPEAN PLAYERS

Crédit Agricole CIB also strengthened its client-focused model: thanks to its in-depth knowledge of its clients and the sectors in which they operate, the Bank has created durable relationships based on trust and is able to position itself as the main financial adviser for strategic transactions. This was the case for instance with French group SEB, for the acquisition of German company WMF, with Fnac for the acquisition of Darty and with the SNCF group for the disposal of Akiem.

Finally, the Bank clearly confirmed its leading role in the European renewable energy sector by taking part in major transactions like the financing of the Dudgeon offshore wind farm in the United Kingdom and SNCF Réseau's first green bond.

These leading positions in the league tables, particularly in the Euro PP market, for securitisation transactions and for rail finance, demonstrate our capacity to come up with a complete offering for Crédit Agricole Group's clients in Europe.



EUROPE OVERVIEW



A CLEAR LEADERSHIP IN TERMS OF EURO PRIVATE PLACEMENTS (EURO PP)

Crédit Agricole CIB acted as sole bookrunner for a Euro PP issue in loan format carried out by EliorGroup. This 7-year, 184 million euro floating rate financing, allows the company to lengthen its debt's maturity while opting for a private placement format. Amundi initiated this transaction and played an important role as Lead Order in setting it up.

Acting as joint arranger, the Bank also led the first bond issue in the Euro PP market issued by the Pierre&Vacances-Center Parcs Group, the European leader in local tourism. The transaction was carried out to meet the group's general financing needs and to diversify its sources of finance.

A YEAR OF STRONG GROWTH IN GERMANY

In terms of commercial momentum, 2016 was an excellent year for Crédit Agricole CIB in Germany. A very buoyant economic environment allowed the Bank to develop the portfolio of transactions in which it has a leading role. During the same year, an initiative was also launched to strengthen synergies between Crédit Agricole Group entities present in Germany.

Among the most significant transactions is the first successful US private placement of Climate bond-certified green bonds for Alpha Trains, the leading lessor of railway rolling stock in continental Europe. Crédit Agricole CIB acted as a joint financial adviser and joint bookrunner. It was the first private placement of European green bonds issued in the US market. This financing of 605 million euros widens the group of Alpha Trains' lenders and allows it to invest in a fleet of 63 modern and energy efficient electric trains that will help reach European targets in terms of green house gas emissions and sustainable urban development.

In May 2016, Crédit Agricole CIB acted as joint active bookrunner for a successful Eurobond executed by Daimler, the German high-end automotive manufacturer. The EUR 3.25 billion transaction comprises 3 tranches and belongs to the largest Corporate Eurobonds issued in 2016. In the 4th quarter, Daimler entrusted Crédit Agricole CIB for the first time with the structuring lead of an ABS bond, an important source of funding for the company in the US. It highlights our close international relationship with Daimler as well as CACIB's strong capital markets execution capabilities across products.



A CLEAR EXPERTISE IN CROSS BORDER TRANSACTIONS

Crédit Agricole CIB acted as exclusive financial adviser for SEB, the French family owned group, in the acquisition of WMF, the German company. This significant 1.7 billion euro transaction allows SEB to complete its brand portfolio, to enter the buoyant professional coffee machine market and to strengthen its position in cookware by becoming #1 in this market in Germany. The transaction also demonstrates SEB's trust in Crédit Agricole CIB's M&A advisory expertise and allows the Bank to strengthen its presence in the household goods sector in which it has already carried out many cross border transactions.

As part of another cross border transaction between Valmet Technologies, the Finnish company, and Cartiere Villa Lagarina (CVL), the Italian company, to provide a paper/cardboard machine using recycled fibre, Crédit Agricole CIB acted as lead arranger and facilities agent for a 53,58 million euro loan. The teamwork and synergy in terms of expertise between Crédit Agricole FriulAdria and Crédit Agricole CIB entities in Milan and Helsinki allowed the Bank to successfully structure and set up this transaction.



EUROPE OVERVIEW

A CLOSE RELATIONSHIP WITH OUR LARGE CLIENTS

In June 2016, Crédit Agricole played a leading role in the rights offering of SSAB, one of the world's largest steel producers and one of the Bank's largest Swedish clients. The market was eagerly expecting this 5 billion SEK transaction (approximately 530 million euros). It is part of a close relationship that has gone on for several years between Crédit Agricole CIB and SSAB, allowing the Bank to demonstrate its knowledge of the steel industry.



FRUITFUL SYNERGIES IN ITALY

All Crédit Agricole Group's business lines are present in Italy where Crédit Agricole CIB offers a complete and diversified range of products and services to its clients - from family owned MSCs to the large Italian industrial groups - and plays an important role in financing the economy.

Thanks to the initiatives set up to strengthen the cooperation between its business lines, large transactions were carried out by Cariparma group and Crédit Agricole CIB for major players in the iron, steel and natural gas industries: a 75 million euro securitisation programme for Gruppo Marcegaglia, a pre-financing transaction for Gruppo Danieli, and support offered to Italgas in the context of the Snam Group split, being part of the intra-group debt refinancing that allowed the financial autonomy of the company. These transactions confirm the strength of the Group's commercial offering in Italy.



A LEADING ROLE IN THE EUROPEAN RENEWABLE ENERGY SECTOR

In 2016, Crédit Agricole CIB played key roles as mandated arranger and financial adviser in supporting the development of some of its strategic clients in the offshore wind sector and thus consolidated its leading position in this area.

The Bank was one of the mandated arrangers, hedging bank and global coordinator of the banking pool in charge of the documentation for the financing of the Dudgeon offshore wind farm by a consortium of 9 banks.

This 1.338 billion pound project includes the design, construction and operation of a 402-megawatt offshore wind farm in the United Kingdom, 32 kilometers off the coast of Norfolk. It should produce enough power each year for approximately 410,000 British households and replace 893,000 tons of carbon dioxide a year. The project is sponsored by Statoil, Statkraft and Abu Dhabi Future Energy Company PJSC (Masdar), all major players in the renewable energy sector and key Crédit Agricole CIB clients.

This transaction is a reference in the offshore wind sector, both in the United Kingdom and in continental Europe.



FRANCE OVERVIEW

#2

bookrunner
for loan syndication
in France
(Thomson Reuters)

#1

for bond issues
for French corporates
(Dealogic)

BEST BANK

in France for real estate
and for real estate
loan finance
(Euromoney)



A CENTRAL ROLE IN MAJOR MERGERS & ACQUISITIONS TRANSACTIONS

In the summer of 2016, Crédit Agricole CIB acted as global coordinator and underwriter for successive acquisition facilities (865 million euros then 1.35 billion euros) for the acquisition of Darty by FNAC. Crédit Agricole CIB was the only relationship bank mandated as M&A financial adviser, and will also be principal bookrunner for the future high yield bonds issued to repay the bridge loan. Started very early, the discussion with FNAC enabled the Bank to be positioned at the highest level for this major and highly visible transaction, thus demonstrating its ability to support its clients in sensitive M&A financings.

Crédit Agricole CIB also acted as exclusive M&A and debt adviser for SNCF/Akiem for the sale of 50% of Akiem, the leading lessor of freight engines in

continental Europe, to Deutsche Asset & Wealth Management, and for helping Akiem close a 750 million euro financing. The Bank played a central role in negotiating and obtaining attractive debt and equity terms, and as principal arranger, agent of the commercial facilities and coordinator of the hedging transactions, for the financing set up by a consortium of 7 banks. The work of the sector specialist and M&A teams strengthened Crédit Agricole CIB's leadership and visibility in the rail leasing market and created closer contacts with the SNCF group.

ALONGSIDE THE FRENCH STATE

For the third time Crédit Agricole CIB supported the French state via the France Trésor Agency (AFT) in issuing a new 30-year, 4 billion euro OATie (French sovereign bond) linked to the Eurozone price index. This issue was widely oversubscribed and reached a very diversified investor base of more than 110 investors.

AN EXPERT IN STRUCTURED FINANCE

Crédit Agricole CIB acted as active bookrunner for the underwriting of a 1 billion euro financing as part of a leveraged buy out (LBO) transaction carried out in September 2016 by the Swiss fund Partners Group to acquire Foncia, the French real estate services specialist.

This 1,83 billion euro transaction was the largest LBO transaction carried out in France during the year. It demonstrates the Bank's capacity to act as bookrunner on large transactions and consolidates its position in the European market.

A GREEN FINANCE PIONEER

Crédit Agricole CIB acted as joint arranger for the general framework and joint bookrunner for SNCF Réseau's first green bond. This transaction complies with the Green Bond Principles published by the International Capital Market Association, which aim to promote the market's integrity and transparency. The 900 million euro transaction with a 15-year maturity will finance the modernisation of the railway network, the development of new projects and strengthen SNCF Réseau's strategy in favour of biodiversity and the protection of natural resources. It materialises the Bank's commercial proximity with SNCF Réseau and its green bond expertise.

FINANCING THE REAL ECONOMY IN PARTNERSHIP WITH THE CRÉDIT AGRICOLE GROUP

During the summer of 2016, Crédit Agricole CIB acted as principal mandated arranger for a 1.3 billion euro refinancing in favour of Korian, the leading European specialist of retirement homes (700 homes). This leading role was obtained thanks to a coordinated approach combining Crédit Agricole Group's expertise - the Regional Banks, Ile-de-France Regional Bank in particular, LCL and Crédit Agricole CIB - to serve this client's growth ambitions.

The cooperation between Crédit Agricole CIB's teams and those of several Regional Banks also led to six important transactions for agricultural cooperative groups: Agrial, Euralis, Triskalia, Cristal Union and two groups in the agro-food sector in Western France.



MIDDLE EAST & NORTH AFRICA OVERVIEW

73
priority clients

GROWTH MOMENTUM CONFIRMED

The MENA region was singled out in the Bank's strategy at the beginning of 2015, confirming Crédit Agricole CIB's global development goals in this part of the world. This strategy is now fully bearing fruit.

In 2016, several initiatives were launched to improve the profitability of the Bank's regional activities, optimise its resources and make it a significant player in the local banking market and within Crédit Agricole CIB's ecosystem.

+21.4%
increase
in commercial
revenues

2.3%
of total
commercial NBI



STRENGTHS

A HISTORICAL PRESENCE AND AN IN-DEPTH KNOWLEDGE OF THE REGION HAS CREATED STRONG CLIENT RELATIONSHIPS

A COMPLETE PRODUCT AND SERVICES OFFERING THAT PERFECTLY MEETS THE COMPLEX NEEDS OF A DIVERSIFIED CLIENT BASE, MADE OF LOCAL AND MULTINATIONAL COMPANIES, GOVERNMENTS, SOVEREIGN FUNDS, FINANCIAL INSTITUTIONS, ASSET MANAGERS, PRIVATE EQUITY FUNDS AND FAMILY OFFICES

AN ACKNOWLEDGED EXPERTISE IN TERMS OF ISLAMIC FINANCE



A COMBINATION OF EXPERTISE TO SERVE OUR CLIENTS

From a commercial viewpoint, with profitable growth in mind, the emphasis was placed both on strengthening relationships with existing clients (Aluminium Bahrain, APICORP, Etihad Airways, Mannai Corp, Oman Oil, National Bank of Abu Dhabi, Qatar Investment Authority, QNB Group, Saudi Aramco, etc.) and on creating new ones with high development potential clients (Almarai, EEHC, Mof KSA, SNI, etc.).

Crédit Agricole CIB supports its clients in the region and internationally by offering tailor made solutions in market finance, structured finance, Islamic finance, investment banking, treasury products, mergers and acquisitions and acquisition finance.

Driven by this momentum, Crédit Agricole CIB managed to significantly improve its ranking in the regional league tables for Corporate and Investment Banks' market share, climbing from #49 to #13 within 18 months in the *Thomson Reuters* rankings.

Synergies with Asia were developed thanks to the dynamic Formosa bond market which benefited from an unusual volume of demand from Gulf countries: the Bank's local teams steered 3 of the 5 transactions issued in the region in 2016.



RANKING

#13

in the *Thomson Reuters* CIB rankings for market share

MIDDLE EAST & NORTH AFRICA OVERVIEW

2016 provided Crédit Agricole CIB's local teams an opportunity to demonstrate their expertise in large and innovative transactions, increasing the Bank's visibility with economic players in the region.

FIRST EURO SYNDICATION FOR THE LARGEST BANK IN THE MIDDLE EAST

Crédit Agricole CIB was mandated and acted as an underwriter, lead manager and active bookrunner for a euro 2.25 billion three-year term loan in favour of Qatar National Bank (QNB), the largest bank in the Middle East. QNB had already tapped the markets in 2015 and wanted to raise additional bank finance. It chose a euro denominated loan, which is a novelty for a bank in the region.

This financing allowed QNB to diversify its investor base with funding costs lower than with dollar denominated loans. The transaction brought Crédit Agricole CIB closer to the region's largest bank, in line with its strategy, which is to meet the cross border needs of its large financial institution clients.



FIRST SAUDI FORMOSA BOND

Crédit Agricole CIB was the principal arranger and joint bookrunner of the first Saudi Formosa bond for Arab Petroleum Investment Corporation (APICORP), a Gulf Cooperation Council (GCC) development agency. The Formosa format allows overseas bonds issuers to take advantage of the liquidity and appetite amongst the Taiwanese investors. This 300 million dollar transaction was placed with Taiwanese and Hong Kong investors. Crédit Agricole CIB was also mandated as the documentation agent, working in close cooperation with the Group to prepare the execution framework.

BANQUE SAUDI FRANSI, A SUBSIDIARY OF CRÉDIT AGRICOLE CIB

Created in 1977, Banque Saudi Fransi (69,9% owned by Saudi shareholders and 31.1% by Crédit Agricole CIB) has more than 3,000 members of staff and is a predominantly corporate universal bank.

It is positioned as a leader in the corporate banking market, offering its expertise in financing activities - especially structured finance -, capital markets, trade finance and cash management to more than 3,600 companies and financial institutions.

In 2016 it generated an NBI of 1,520 million euros and a net result of 848 million euros. Its activities also cover retail banking with more than 900,000 clients and 83 branches, private banking, investment banking, asset management, equity brokerage, leasing and insurance. The relationships with Crédit Agricole CIB in Dubai are strong, particularly in the capital markets activities.

SPONSORING THE GLOBAL FINANCIAL MARKETS FORUM

For the third consecutive year, in March 2016 Crédit Agricole CIB and CACEIS Investor Services jointly sponsored the Global Financial Markets Forum, the largest financial markets congress in the Middle East, which was held in Abu Dhabi. This major meeting for the regional financial community brought together more than 1,500 participants, among which many company leaders. For Crédit Agricole CIB, it was a great opportunity to increase its visibility and highlight the Group's combined expertise in the region.



ISLAMIC BANKING: REAFFIRMED COMMITMENT

Islamic banking has the same economic objective as that of conventional banking, however it operates according to the principles of Islamic law. Islamic Bonds which are called sukuk is one of the key Islamic solutions offered by Crédit Agricole CIB in debt capital markets. Crédit Agricole CIB works with clients and capitalizes on its distribution platform in order to enable them to tap into the Islamic liquidity.

Crédit Agricole CIB worked on highly commendable transactions in 2016:

- as a bookrunner for a 1.25 billion dollar sukuk with a 5-year maturity issued by Islamic Development Bank (IsDB).
- as a joint bookrunner for a 200 million dollar sukuk (transaction Regs Additional Tier 1) issued by Ahli United Bank Kuwait (AUBK). The transaction was oversubscribed 3.5 times, mainly by Middle Eastern investors.

AMERICAS OVERVIEW

308
priority
clients

+3.7%
increase
in commercial
revenues

17.5%
of total
commercial NBI



In North America and South America, Crédit Agricole CIB offers all the Bank's expertise to American and international corporate and financial institution clients. In 2016, the teams mobilised to help large clients access debt products and to support their cross-border transactions. They also ensured the origination and structuring of complex financings, in particular in the renewable energy, infrastructure and transport sectors, the United States of America, second largest source of revenues for the Bank, or in Chile, Mexico and Colombia. Finally, our teams were active in major M&A transactions.

STRENGTHS

A HISTORICAL REGIONAL BASE
AND AN IN-DEPTH KNOWLEDGE
OF THE LOCAL ENVIRONMENT

A PLATFORM SPECIALISED
IN DOLLAR CAPITAL MARKETS

A PROVEN EXPERTISE
AND EXECUTION CAPACITY
IN SERVING OUR AMERICAN
AND INTERNATIONAL CLIENTS
AND PROMOTING AN EFFICIENT
CROSS BORDER APPROACH

THE CAPACITY TO MANAGE
COMPLEX AND INNOVATIVE
TRANSACTIONS AND
THE RELEVANT INFORMATION
REQUIREMENTS IMPOSED
BY GLOBAL REGULATIONS



On these continents, which combined have the highest GDP level in the world, Crédit Agricole CIB has an extended coverage organisation: not only is the Bank present in the United States of America with offices in New York, Chicago and Houston, but also in Mexico, Brazil, Argentina and Canada. In Canada, our establishment officially became a branch in May 2016, which should significantly help in serving Canadian clients.



AWARDS AND RANKINGS

#3 in terms of the number
of loans linked to project finance
in the Americas
(*Thomson Reuters*)

—
Three “Global Transport Finance”
awards for airport (Santiago de Chile)
and motorway projects (Pacífico 1 in
Columbia and North American Road)

AMERICAS OVERVIEW

FINANCING THE ENERGY TRANSITION AND SUSTAINABLE TRANSPORTATION

In the summer of 2016, Crédit Agricole CIB arranged a 200 million dollar financing for a solar plant in the Atacama desert in Chile, and also provided the relevant hedging. The “El Pelicano” project was developed by SunPower Corp (of which Total is the majority shareholder), and will provide solar energy to the Santiago subway system within the framework of a 15-year contract.

The Santiago subway carries 2.2 million passengers per day and will be the first subway in the world to be mainly powered by solar energy.

The Bank - a partner of SunPower and Total - demonstrated its leadership in arranging complex and strategic financings with this transaction.

Crédit Agricole CIB is very involved in the financing of solar assets and, following the IPO in 2015, was a joint bookrunner for the 118 million dollar capital increase of 8point3 Energy Partners, which is jointly owned by SunPower and First Solar. The Bank was also the sole arranger of the 250 million dollar incremental syndicated loan. Listed on Nasdaq, 8point3 owns a portfolio of solar energy generation projects. The funds raised were used to acquire stakes in new solar farm projects. Some of them had their construction financed by the Bank before they were bought by 8point3 Energy Partners.





SUPPORTING THE PROJECTS OF OUR LARGE CLIENTS IN THE ENERGY SECTOR

ISA, the Colombian state-owned leader in the electricity transmission sector, will build strategic transmission equipment in Chile between the country's two largest electric systems. The project will help the country keep pace with the strong growth in electricity demand and is considered a national priority. Crédit Agricole CIB participated in the financing of this USD 738 million project as joint bookrunner, lead arranger, and hedge provider and coordinator at the time of execution of the swaps.

WINNING NEW CUSTOMERS

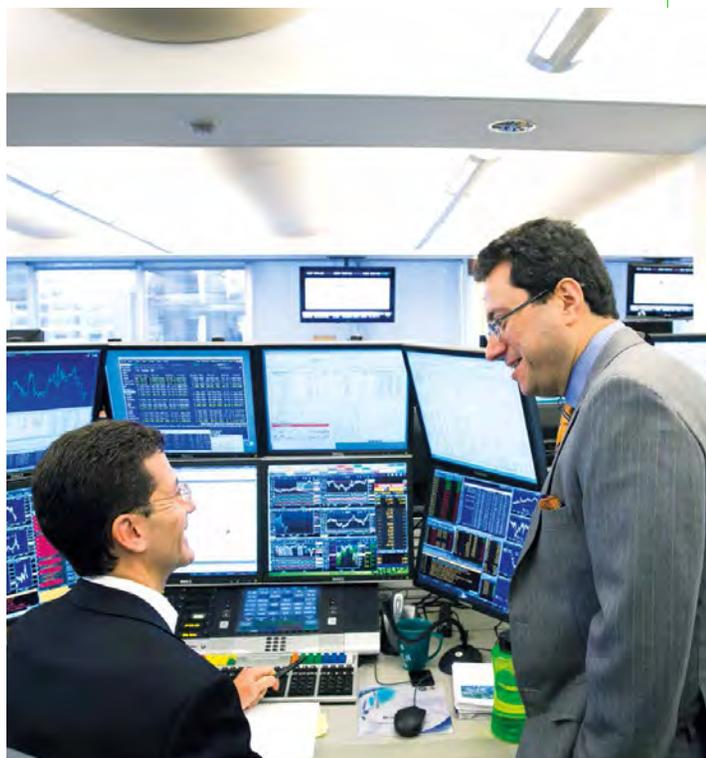
At the end of 2015, US manufacturer of memory technologies Micron Technology agreed to purchase, via its Taiwanese subsidiary Micron Semiconductor Taiwan Co., 100% of the capital of Inotera Memories, the Taiwanese DRAM manufacturer. Formosa Plastics Group, Inotera Memories' parent company, asked Crédit Agricole CIB to be one of the mandated lead arrangers to finance this M&A transaction, the largest carried out in Taiwan in 2016. This demonstrates the Bank's know-how, as Crédit Agricole CIB facilitated the relationship with Micron Technology in the US.

FINANCING THE REAL ECONOMY

Following the financings of the Mexico City Airport and the Pacifico 1 motorway in Colombia, Crédit Agricole CIB was the lead manager in structuring and setting up a complex financing for the extension of the Santiago de Chile International Airport. This 530 million dollar project consists in renovating the existing installations and building a new terminal to double the airport's capacity by 2030. This new transaction confirms the Bank's global expertise in infrastructure finance and its leading position in the airport sector.

SUPPORTING START UPS IN THEIR GROWTH

For its launch in the US, Invivox, the first global platform to connect expert MDs with personalised surgery training, was hosted by Le Village by CA in the New York offices of Crédit Agricole CIB and was offered tailor made support. This French start up is a client of Crédit Agricole Ille et Vilaine and was previously 'incubated' in Le Village by CA, the dedicated Crédit Agricole Group entity, before boosting its growth in America.



ASIA-PACIFIC OVERVIEW

376
priority clients

+8.5%
increase
in commercial
revenues

15.6%
of total
commercial NBI



A STRONG MOMENTUM FOR GROWTH AND INNOVATION

In 2016 the Asia-Pacific region demonstrated once again that it was one of Crédit Agricole CIB's growth engines. The Bank exceeded its commercial targets thanks to a customer-centric strategy that fully combines its business lines' expertise.

During the year, Crédit Agricole CIB accelerated its efforts to help its clients to access regional liquidity via green bond, offshore and onshore renminbi issues as well as Formosa issuances in Taiwan. It also improved Crédit Agricole Group's access to liquidity via Samurai issues in Japan. The Bank's involvement in these various landmark transactions further strengthened its leading position in debt capital markets.



STRENGTHS

A HISTORIC PRESENCE OF MORE THAN A HUNDRED YEARS

STRONG CAPACITY TO ACCESS REGIONAL LIQUIDITY (INCLUDING LOCAL CURRENCY SUCH AS RENMINBI)

SUPPORTING INTERNATIONAL GROWTH OF GROUP CLIENTS ACTIVE IN THE ASIA-PACIFIC REGION: MULTINATIONALS, SMES, MEDIUM-SIZE COMPANIES, LARGE REGIONAL COMPANIES

FINANCING THE REAL ECONOMY AND THE DEVELOPMENT OF STRATEGIC PROJECTS (TRANSPORT, ENERGY, INFRASTRUCTURE)

STRENGTHENING OF THE PRODUCT AND SERVICE OFFERINGS

The Bank also enhanced its distribution capacity with new licenses in Korea, obtained via the acquisition of RBS Asia Limited in November 2016, to offer new risk-diversification and investment solutions to meet its institutional client needs.

Crédit Agricole CIB's presence in Korea started in 1974. Over decades it has expanded its services offering to include bond issues and fixed income investment products. Crédit Agricole CIB also received the approval from the Indonesian regulator to open a representative office in Indonesia, strengthening further the local coverage of its local and international clients active in the region.

In addition, Crédit Agricole CIB supported its large Asian clients, such as Softbank from Japan and Pertamina from Indonesia in their international expansion. Finally, thanks to its proven expertise in structured finance, Crédit Agricole CIB participated in the development of the real economy in Asia-Pacific by actively taking part in the region's major transport, energy and infrastructure projects.



AWARDS AND RANKINGS

Asia-Pacific Bank of the Year
(*Airline Economics*)

+ 20 TIERS IN THE RANKINGS

Crédit Agricole CIB improved in the rankings for EUR/USD/JPY issues for investment grade Asian issuers (excl. Japan) (*Bloomberg*)

+ 11 TIERS IN THE RANKINGS

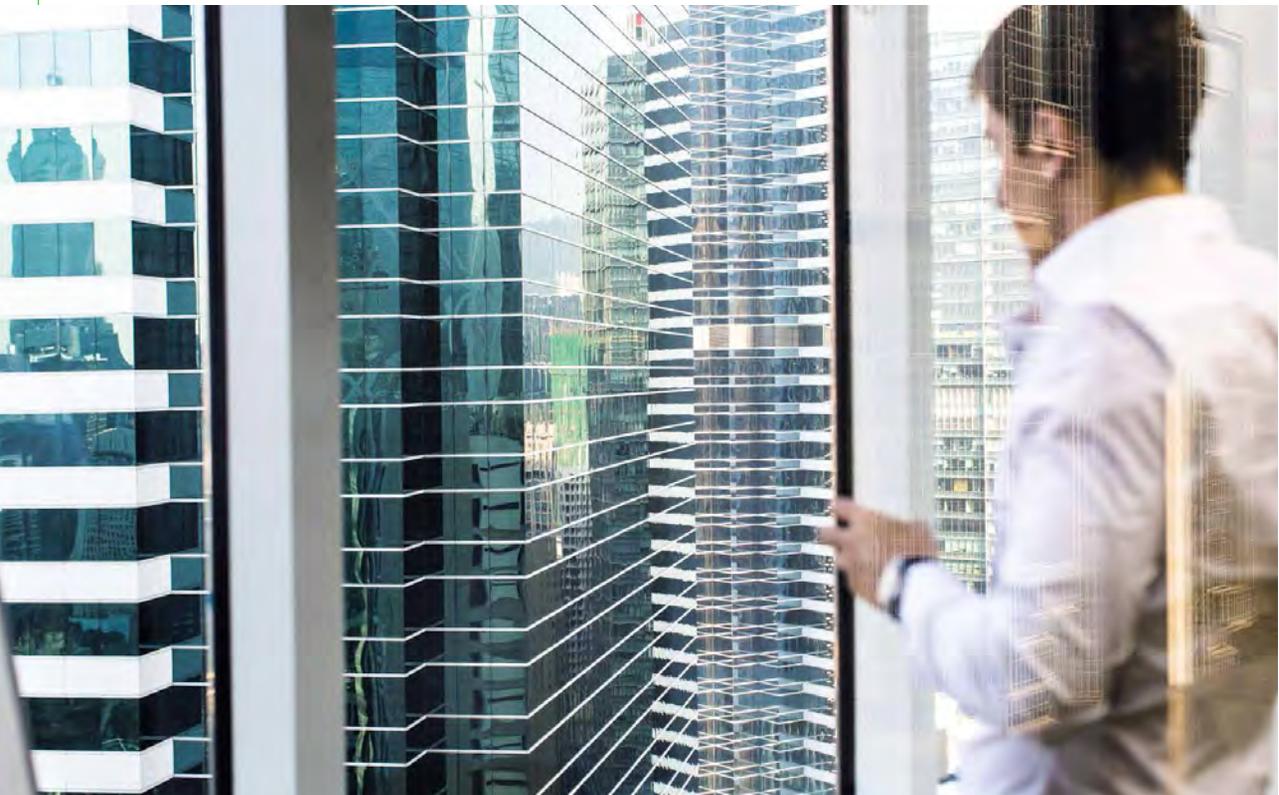
For Crédit Agricole CIB as bookrunner for syndicated loans (excl. Japan & Australia) – (*Thomson Reuters*)

“Best provider of RMB-linked Structured Products” – Structured Products Awards for Excellence 2016 from *Asian Private Banker*

ASIA-PACIFIC OVERVIEW

HIGH ADDED VALUE EXPERTISE

Crédit Agricole CIB Asia-Pacific offers a full range of products and services to meet its large clients' needs. In 2016, the Bank particularly stood out in various areas, including the sales of high return market products, the issuance of green bonds, in structured finance (aviation, real estate, telecoms, infrastructure, etc.) and in advising its clients for their strategic acquisitions mainly in Europe.



THE GROWTH OF GREEN FINANCE

In 2016, Crédit Agricole CIB successfully arranged 5 green bond issues in dollars and euros in the region (out of a total of 6), reaffirming the Bank as a global leader in structuring and placing green bonds, as well as its expertise in origination and execution in Asia. One of the most significant transactions was carried out on July 5th 2016 with Bank of China - a systemically important financial institution - launching the largest ever green bond

offering at the time of issuance. Acting as global joint coordinator for this landmark transaction of eq. 2.8 billion dollars, Crédit Agricole CIB supported Bank of China in managing the structuring, the terms and the timing of the offer.

Crédit Agricole CIB also jointly led the 1.3 billion dollar green bond issue in two tranches launched by Asian Development Bank (ADB) to finance projects to fight climate change.

AN INNOVATIVE ACCESS TO REGIONAL LIQUIDITY

With a strong presence in China in the Energy, water and waste management sectors, Veolia Environnement raised 1 billion yuan to support its local development in 2016.

This transaction was part of the Bank's outstanding development in the yuan market, both offshore and onshore, through its RMB excellence centre. As a global player (#2 in *Bloomberg* rankings for the 1st half of 2016) in the offshore renminbi bond market, Crédit Agricole CIB has the objective to federate all the Bank's expertise i.e. origination, trading, cross border distribution solutions, Dim Sum, Panda bonds, swaps, FX around the RMB.



SUPPORTING THE DEVELOPMENT OF THE REAL ECONOMY

Crédit Agricole CIB actively contributed to the region's strong economic growth by advising and financing large projects for both local and international clients. For instance, the Bank was involved, with local development agencies, in a 3.8 billion dollar financing of an additional LNG train to an existing project in Indonesia. 2016 also witnessed another strong activity in aircraft financings. The Bank notably acted as debt coordinator, MLA, Facility Agent and Security, in the 1.2 billion dollar financing of a portfolio of 44 new generation aircraft for the aircraft leasing subsidiary of the Cheung Kong Property group.

SUPPORTING CLIENTS IN THEIR INTERNATIONAL GROWTH

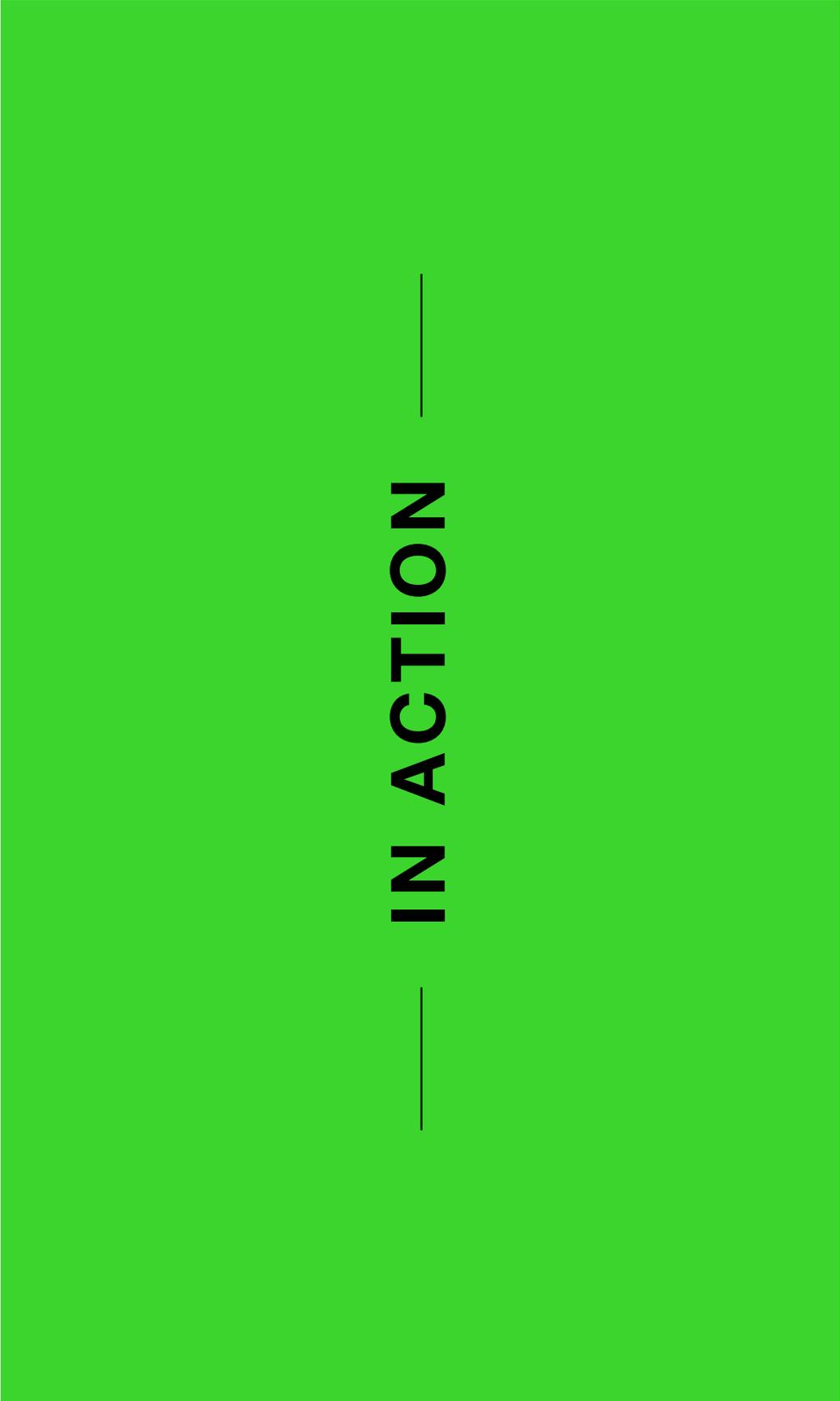
In 2016, thanks to the expertise of its staffs in several regions, Crédit Agricole CIB assisted its Asian corporate clients in their development strategies outside of their domestic borders.

For instance, the Bank set up a 820 million euro Bridge loan to support Softbank, a Japanese company and one of the world leaders in telecommunications, in its acquisition of ARM, a British company that designs microchip for mobile phones and tablets. Crédit Agricole CIB also obtained an exclusive buy-side advisory mandate from a Chinese consortium to acquire URBASER, a leading European actor in the waste management sector and a subsidiary of the Spanish construction group ACS. In addition, the Bank advised Pertamina a leading Indonesian energy group in its acquisition of the oil and gas operator Maurel & Prom, a company listed on Euronext in Paris.

For several years, Crédit Agricole CIB has supported the international growth strategy of Hyundai Motor Group (Korea). The Bank strengthened the cooperation in 2016 by setting up new medium-term financings, arranging securitization transactions above one billion dollar, several bond issues, private placements and deposits.



— **IN ACTION** —





IN ACTION

ENFANTS DU MÉKONG

This partnership, formed under the Solidaires programme, gives Bank employees the opportunity to volunteer to teach at the association's training centre based in Phnom Penh in Cambodia.

The Enfants du Mékong NGO helps children in Southeast Asia through sponsorship actions.



**"An opportunity for
Crédit Agricole CIB's values to be
applied operationally to a unifying
international solidarity project".**

**GUILLAUME D'ABOVILLE,
General Manager of Enfants du Mekong**

WORKING TOGETHER



**Combating climate change
has been a priority since 2003
and our teams are proud
to support this commitment.
In 2016, Crédit Agricole CIB
launched an innovation
initiative and continued
its employee development
actions.**



WORKING TOGETHER

●

Combating climate change has been a priority since 2003 and our teams are proud to support this commitment. In 2016, Crédit Agricole CIB launched an innovation initiative and continued its employee development actions.



WORKING TOWARDS THE ENERGY TRANSITION

A GLOBAL CHALLENGE

Combating climate change is a major global challenge and Crédit Agricole Group has confirmed its commitment to this issue since 2009 by co-drafting the Climate Principles for the financial sector coordinated by The Climate Group.

The Group also supports the five Mainstreaming Climate Action within Financial Institutions Principles defined at the COP21 at the end of 2015: commit to climate strategies, manage climate risks, promote climate smart objectives, improve climate performance and account for your climate action.

In keeping with this approach, and building on the sector-specific policies already in place, in October 2016 the Group announced its decision that it would no longer finance new coal-fired power plants or expansions to existing plants.



AWARDS AND RANKINGS

SRI Bond House of the Year 2016
(IFR Awards)

—
**Most Impressive Bank for Green SRI
Capital Market 2014, 2015 and 2016**
(GlobalCapital)

—
Best Green Private Placement Dealer 2016
(CMD Portal)



COMMITTED TO COMBATING CLIMATE CHANGE

In 2016, Crédit Agricole CIB integrated these various commitments into its corporate and investment banking business lines:

- **by funding energy transition projects:** measured by the number of loans, renewable energy accounted for more than 75% of power generation project finance activity in 2016. One of the most representative examples was the transaction to finance the Dudgeon offshore wind farm in the United Kingdom, for which Crédit Agricole CIB acted as mandated lead arranger, hedging bank and global coordinator for the pool of documentation banks;
- **by developing green bond issues:** Crédit Agricole CIB has been actively involved in this market since 2010 and is a founding member of the standard-setting Green Bond Principles. Its target is to structure at least USD 60 billion of new climate financing between December 2015 and the end of 2018. This ambition was realised in 2016 with the issuance of more than USD 21.5 billion in green bonds that year, reinforcing its leadership position as arranger on this market at the global Crédit Agricole CIB level, for both public and private issuers. Representative examples of transactions arranged by Crédit Agricole CIB during the year include the Bank of China's issuance of the largest international green bond, in dollar and euro terms, for a total amount equivalent to USD 2.8 billion, as well as the first green issuance by SNCF Réseau totalling €900 million;
- **by participating in a consortium** of leading financial institutions and investors who, in April 2016, launched a new partnership under the Catalytic Finance Initiative (CFI) involving USD 8 billion in commitments for high-impact sustainable development projects. Like its partners, Crédit Agricole CIB pledged both its capital and its expertise to develop and advance innovative financing structures for investments in sustainable development projects, in particular those relating to "clean" energy;
- **by obtaining Green Climate Fund accreditation**, the aim of which is to facilitate and promote projects in developing countries to reduce their greenhouse gas emissions and adapt to the impacts of climate change. Crédit Agricole CIB, the first French bank and one of three commercial banks at the global level to be accredited, can now solicit the Green Climate Fund's participation in its clients' green projects in various forms;
- **by continuing to analyse the climate risks** related to its financing and investment portfolio. Crédit Agricole CIB supported the development of an innovative methodology to calculate the carbon footprint of loans and was the first commercial bank to publish its results. It has now begun to develop a new methodology to help assess the risks associated with the transition to a low-carbon economy. This approach is based primarily on the calculation of a specific index for each client that combines three factors: the level of sector-specific challenges, the country's target for reducing greenhouse gas emissions, and the client's maturity in addressing climate challenges.



INNOVATING FOR AND WITH OUR CLIENTS



INNOVATING TO SECURE THE BANK'S FUTURE

Against the backdrop of the race to innovate, the emergence of FinTechs and non-banking players, and the advent of new models based on disruptive technologies such as blockchain, Crédit Agricole CIB has no choice but to adapt, transform its operating model and identify new opportunities for growth. The Bank also innovates so it can offer new value-added products and services and improve the customer experience.

Crédit Agricole CIB is mobilising its innovation capacity to build on these dynamics. A dedicated innovation unit, sponsored by Crédit Agricole CIB's Executive Management, has been created. It consists of a core team and representatives within the business lines and support functions to encourage bottom-up initiatives while prioritising investments to align with its clients' needs and the overall strategy.

The Bank's innovation strategy relies on its collaboration with Crédit Agricole Group and the development of its own "IDEA" innovation initiative.

CRÉDIT AGRICOLE GROUP'S INNOVATION ECOSYSTEM

Crédit Agricole CIB is an integral part of Crédit Agricole Group's innovation ecosystem. As such, the Bank collaborates closely with Le "Village by CA", a start-up incubator that supports high-potential projects.

In 2016, the Bank therefore participated in a joint project called "MacroNow" with QuantCube Technology, a Village by CA FinTech specialising in real-time analysis of financial and economic data based on big data technology. This project helped improve the Crédit Agricole CIB teams' understanding and analysis of macroeconomic developments through the production of new indicators. MacroNow was also selected by the French government to receive financial support under a *Fonds Unique Interministériel* (Single Interministerial Fund) project subsidised by the Regions.

Crédit Agricole CIB has developed partnerships with the Group's labs (Data Lab, CA Innovation) and is participating in the blockchain testing conducted by the CDC Labchain consortium, of which Crédit Agricole Group is a member. The Bank's involvement in these fields of research is key to developing a vision, defending its positions, sharing the costs of acquiring these new technologies, and potentially forming partnerships with other banks.



IDEA, A PARTICIPATORY INNOVATION APPROACH

To adjust its model, Crédit Agricole CIB has rolled out its own innovation strategy, IDEA, which revolves around four pillars:

- **Participatory innovation** through cross-functional communities, ideation campaigns and co-creation workshops conducted in-house or with clients and partners.
- **Agile testing**, to try out new concepts using prototypes before they are shared and widely implemented, on identified topics such as blockchain, smart data, robotic process automation (RPA), the customer experience and new applications.
- **Monitoring**, to understand emerging trends and the latest technological and competitive advances, but also to develop collaborations with start-ups, including FinTechs.
- **La Ruche**, an innovation and co-creation space used for workshops for internal and external audiences.

DEVELOPING THE TALENT AND WELL-BEING OF OUR EMPLOYEES

EMPLOYEES TAKE CONTROL OF THEIR OWN TRAINING

To meet its current and future strategic challenges, Crédit Agricole CIB encourages employees to continuously adapt their skills to the fast and complex changes in the economic, regulatory and technological environment. The HRE-Learning worldwide training portal, launched in 2016, gives them an overview of existing training courses and open access to more than 530 digital modules in the areas of banking, finance and personal development. This digital approach, designed to encourage curiosity, supplements the classroom sessions already on offer.

At the same time, internal mobility is favoured over external recruitment. In addition to the dedicated MyJobs portal, accessible to employees in France and worldwide, Crédit Agricole CIB is implementing initiatives to increase cross-functionality and develop the mobility culture: professional forums, CV workshops and speed recruiting sessions.



GENDER DIVERSITY IS A WIN-WIN ISSUE

Firm in its belief that gender diversity drives performance and innovation, Crédit Agricole CIB adopted a proactive policy several years ago. It was in this context that the Bank's Management Committee devoted its July 2016 seminar to discussing gender diversity and worked on the action plans to be implemented to address this issue.

Crédit Agricole CIB tracks indicators of the breakdown of men and women within its organisation throughout the year. To promote gender diversity, the Bank has set quantitative targets that take into account the demographics of each of its business lines.

During Diversity Week, an annual event held in France and abroad, employees have the option to participate in a number of awareness actions, such as conferences, workshops and training sessions. Each year, the Bank also conducts leadership programmes for its female employees and is a partner in the Elle Active forum.

Crédit Agricole CIB also supports the gender diversity networks that have been set up at its different sites by female employees, such as Potenti'Elles in Paris, Crédit Agricole Women Network in New York, CWEEN in India, SPRING in London and RISE in Hong Kong.



IMPROVING QUALITY OF LIFE IN THE WORKPLACE

As a responsible employer, Crédit Agricole CIB promotes a wide range of employee benefits to foster the well-being of its employees: health insurance plan, death and disability benefits and employee savings. The Bank takes particular care to ensure that its employee benefits are ethical, attractive and appropriate to the targeted recipients.

In 2016 in France, Crédit Agricole CIB's move to Crédit Agricole Group's Evergreen campus in Montrouge and SQY Park campus in Saint-Quentin-en-Yvelines also helped promote a high-quality work environment. These new-generation sites and their buildings, which incorporate the latest standards, are regularly lauded for their modern and congenial environment: new furniture and IT equipment, lounges, company cafeterias, green spaces, gyms and concierge services.

To facilitate its employees' work-life balance, Crédit Agricole CIB offered a number of support measures, such as moving and travel assistance in France and new work organisation options such as flexible working hours and teleworking. These actions, taken together, set the stage for the Bank to implement its ambitious projects.

CIVIC ENGAGEMENT AMONG EMPLOYEES

The "Solidaires By Crédit Agricole CIB" programme encourages employees to work with non-profit organisations.

It defines three levels of commitment:

- "Solidaires" events. Employees donate their time as volunteers for one-time actions to support non-profit partners.
- "Solidaires" volunteer missions. Employees put their time and/or skills to work for an organisation with a specific mission.
- "Coups de pouce Solidaires" (giving a helping hand). The Bank provides financial support to charitable projects run by its employees, oriented towards the general interest and promoting solidarity and social integration.

In 2016, Crédit Agricole CIB also participated in Crédit Agricole Group's Commitment and Recommendation Index measurement approach. This improvement process helps bring lasting change to the organisation and provides an opportunity to work together to create the Bank of the future. This initiative builds on the global Opinion & Engagement survey carried out in 2015 among all Crédit Agricole CIB employees and used to assess the positive change in results in the areas covered by the nine global action plans already underway. For example, Crédit Agricole CIB has rolled out its Crédit Agricole CIB Global Induction Programme to ensure the seamless integration and development of its new hires.



SOME FIGURES FROM THE ENGAGEMENT AND RECOMMANDATION INDEX

81%

of employees are proud to work for Crédit Agricole CIB (up 8% from 2015)

74%

of employees recommend Crédit Agricole CIB as an employer of choice (up 20% from 2015)

—
IN TUNE
—





IN TUNE

QUAI BRANLY

The Bank has actively supported the Musée du quai Branly – Jacques Chirac since 2009 and is now a major sponsor.

In 2017, the Bank helped fund the “Picasso Primitif” exhibition. The museum is dedicated to the civilizations of Africa, Asia, Oceania and the Americas and aims to engage cultures in dialogue.

**Crédit Agricole CIB,
a major sponsor
in 2017**

IMPROVING ACCESSIBILITY

This year Crédit Agricole CIB funded tactile guide paths in the museum’s garden to make it easier for the visually impaired to navigate the space.



“To promote a unique dialogue between cultures on four continents”.

STÉPHANE MARTIN,
President of the Musée du quai Branly - Jacques Chirac



RESPONSIBLE GOVERNANCE



To act responsibly, it is important to have clear, common governance rules. Governance documents have been drafted and widely distributed in a variety of areas, ranging from internal control to environmental and social risks.



RESPONSIBLE GOVERNANCE

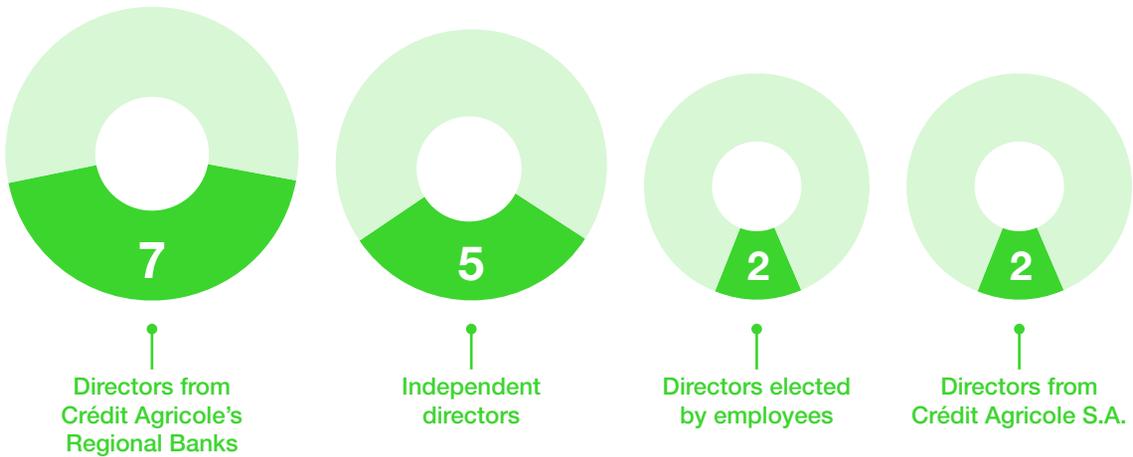


To act responsibly, it is important to have clear, common governance rules. Governance documents have been drafted and widely distributed in a variety of areas, ranging from internal control to environmental and social risks.

BOARD OF DIRECTORS

The Board of Directors is composed of 16 members and 3 non-voting directors. It meets at least five times a year. Its composition reflects Crédit Agricole S.A.'s wish to have chairmen or chief executive officers of Crédit Agricole's Regional Banks join the Board, as well as the provisions of the AFEP-MEDEF Code concerning independent directors, the Articles of Association and the French Commercial Code concerning directors elected by employees. An Appointments Committee reviews nominations for new directors, assesses the contribution of each candidate in terms of individual and collective skills, as well as how much time he would be able to commit to her/his duties, and ensures compliance with the provisions concerning the limitation of the numbers of mandates.

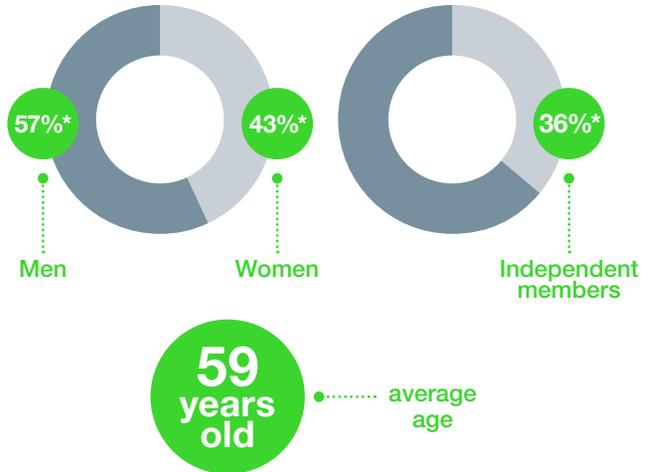
WHO ARE OUR DIRECTORS?



WHO ATTENDS THE MEETINGS?

- 16 directors with the right to vote and 3 non-voting directors
- The representative of the Works Council
- Executive Management
- The Secretary of the Board
- The Statutory Auditors
- The head of Risk and Permanent Control
- The Chief Financial Officer
- The head of Corporate Governance
- Occasional attendees (including the heads of Compliance, Group Control and Audit and Human Resources)

i.e. more than 30 people in all



*These ratios are calculated excluding directors elected by employees in accordance with regulations.

NOTE

Pursuant to the provisions stemming from CRD IV, each director's appointment or reappointment is subject to a control procedure by the ACPR* and the ECB**, which ensure compliance with suitability criteria, including the personal integrity, independence of mind, availability and collective and individual skills of members of the Board of Directors.

The non-voting directors bring their skills to the Board and play a neutral role.

*Autorité de Contrôle Prudentiel et de Résolution (French Prudential Supervision and Resolution Authority)
 **European Central Bank

A TRAINING PROGRAMME HAS BEEN DEVELOPED FOR DIRECTORS. IT CONSISTS OF:

- A specific induction program for new directors (handouts of key documents, meetings with Executive Management and with the heads of key functions)
- An annual seminar focused on strategy and client relationships
- An annual session covering more technical and regulatory aspects
- An access to e-training on Compliance-related topics

Directors elected by employees also have access to specific training programmes in accordance with the provisions of the French Commercial Code.

THE ROLE AND DUTIES OF THE BOARD OF DIRECTORS



IN TUNE

SPECIALISED COMMITTEES OF THE BOARD OF DIRECTORS

To carry out its duties, the Board of Directors relies on the specialised committees it has created. The number of committees has been increased to four and some of the committees' powers have been broadened in the context of implementation of the CRD IV framework.

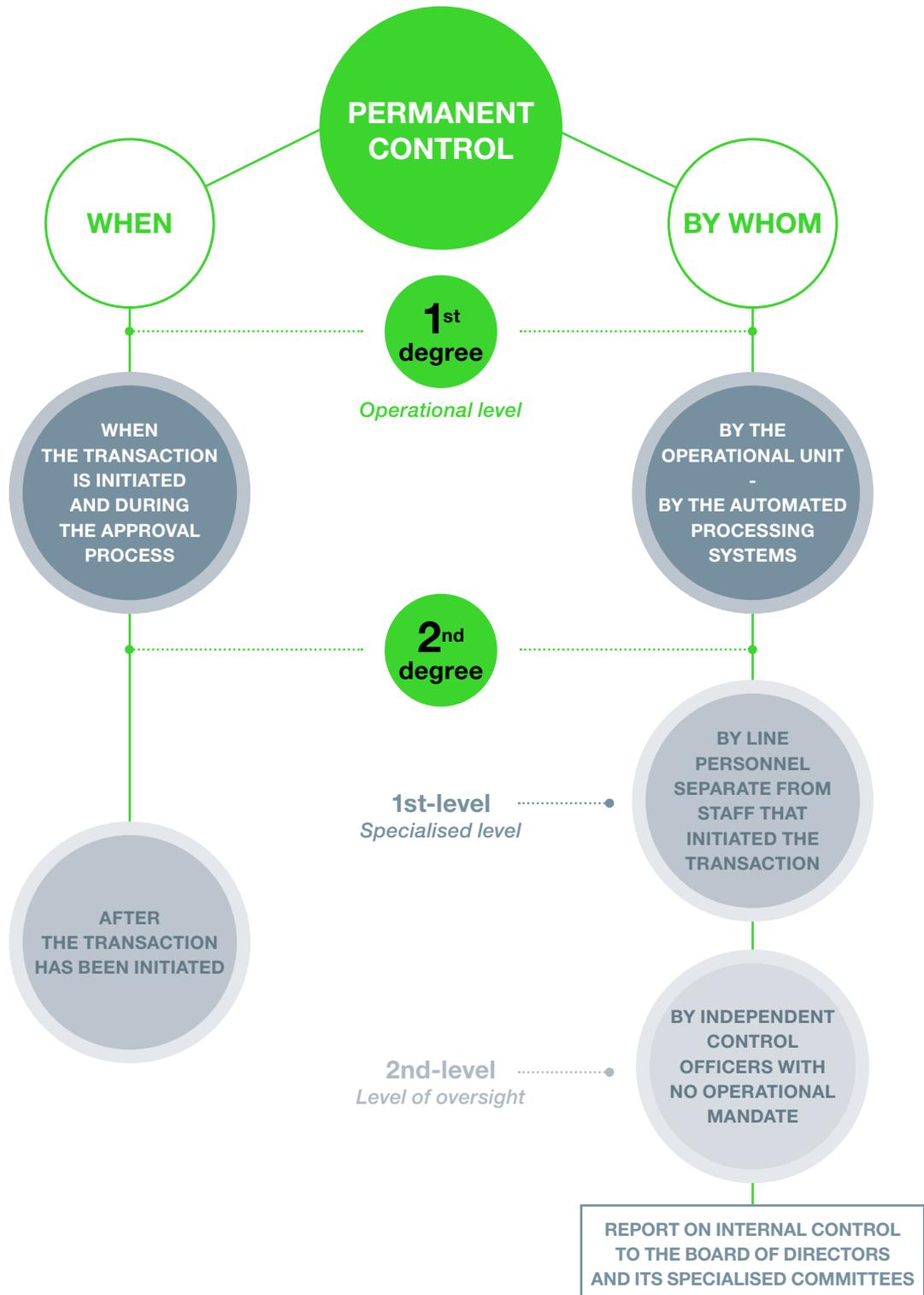


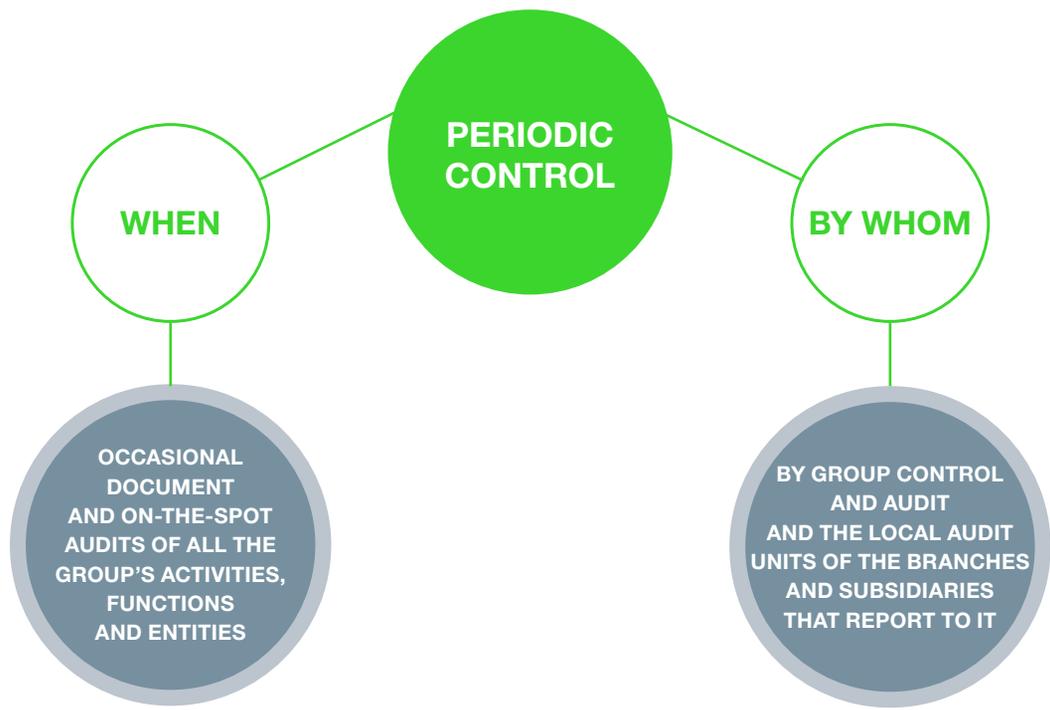
These committees meet in advance of the meetings of the Board of Directors. They are tasked with helping the Board fulfil its duties and prepare for its deliberations (information, opinions, recommendations, etc.). Each Committee has three to five members, the majority of which are independent, selected from among the directors. Representatives from the various Bank's departments may also attend these Committee meetings, all of which are chaired by an independent director.

INTERNAL CONTROL

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.

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.





INTERNAL CONTROL COMMITTEE
 3 times a year in the branches and business lines and headquarters' support functions

DUTIES:

- Ensure the consistency, effectiveness and comprehensiveness of the internal control system.
- Ensure the coordination of the periodic control system, of Permanent Control and of Compliance Control of Crédit Agricole CIB.

Top-level Internal Control Committee
(quarterly)

Top-level Permanent Control Committee
(quarterly)

PERMANENT CONTROL COMMITTEE
 8 times a year in the branches and business lines and headquarters' support functions

DUTIES:

- Oversee the operation of the Permanent Control system.
- Investigate all matters related to this assignment, either for information or decision-making purposes.

CSR AT THE HEART OF OUR DECISIONS

1

ANALYSIS OF ENVIRONMENTAL AND SOCIAL RISKS PERFORMED BY THE BUSINESS LINE (front-office)

2

COMMITMENTS AND INTERNAL POLICIES RELATED TO THESE ENVIRONMENTAL AND SOCIAL RISKS



From 2013, Crédit Agricole CIB introduced a scoring system to evaluate the CSR performance of corporate clients on three levels: advanced, compliant or sensitive.



Since 2003, Crédit Agricole CIB has applied the Equator Principles in project finance. Crédit Agricole CIB goes beyond the Charter by applying these Principles on a best-effort basis in instances where they are not compulsory.



In 2010, Crédit Agricole CIB decided to introduce enhanced analysis and exclusion criteria for the activities of all the business lines in the following sectors: Weapons, Oil & Gas, Shale Gas, Coal-fired Power Plants, Hydroelectric Power Plants, Nuclear, Metals & Mining, Aviation, Automotive, Shipping, Transport Infrastructure, Real Estate, Forestry and Palm Oil.



Crédit Agricole CIB has been assessing the environmental and social sensitivity of transactions since 2009. A “sensitive” transaction is characterised by:

- questioning about the management of environmental or social impacts that are deemed critical, or
- controversies related to the transaction

Crédit Agricole CIB is a responsible actor and places sustainable development at the heart of its activities. Broad consideration of the environmental and social impacts associated with the Bank's commitments is a key cornerstone of its Corporate Social Responsibility (CSR) policy. The processes for analysing the environmental and social risks related to financing and the decision-making bodies affected by these processes are the subject of internal governance documents. The impact analysis requires the involvement of the Business Lines which may, as necessary, consult the Sustainable Development team. The CERES Committee makes recommendations on the most complex transactions in terms of sustainable development before they are reviewed by the Credit Committee.

3

GOVERNANCE OF DECISIONS RELATING TO ENVIRONMENTAL AND SOCIAL RISKS

CERES COMMITTEE

CHAIRMAN: Head of Compliance

-

SECRETARY: Head of Sustainable Development

-

STANDING MEMBERS: representatives of coverage, risks, structured finance and the Corporate Secretary

DUTIES

WITH RESPECT TO THE EQUATOR PRINCIPLES: approves project classifications, issues opinions and recommendations on projects categorised as A

-

WITH RESPECT TO THE MONITORING OF SOCIAL AND ENVIRONMENTAL ASPECTS: approves classification as a closely monitored transaction, issues opinions and recommendations and approves actions aimed at civil society for transactions classified as requiring close monitoring

-

WITH RESPECT TO CSR SECTOR POLICIES AND BUSINESS LINE PROCEDURES: issues opinions and may request revisions to or the drafting of new CSR sector policies or business line procedures

COUNTERPARTY RISK COMMITTEE (CRC)

MEETINGS: twice a week

-

CHAIRMAN: Chief Executive Officer

-

SECRETARY: Representative of the risks department

-

STANDING MEMBERS: representatives of coverage, the business lines and support functions, Crédit Agricole S.A. Risks Department

DUTIES

(relating to social and environmental risks)

Approves all exemptions from CSR sector policies after consulting with the CERES Committee

-

Decides on all transactions categorised as A, those requiring close monitoring of their social and environmental aspects, or those involving a client with a "sensitive" CSR score

— IN THE MODEL —





IN THE MODEL

THE DAUPHINE- POLYTECHNIQUE CHAIR

Support for the Finance and Sustainable Development Chair promotes a strong collaboration between academic research and the business world. The Bank was able to map business sectors with a high environmental impact based on the innovative work done by researchers. This tool then enabled the Bank to implement sector-specific policies in the context of its financing policy.

P9XCA METHOD FOR QUANTIFYING CARBON EMISSIONS

P9XCA =
[Paris IX Dauphine]
+ [École Polytechnique]
+ [Crédit Agricole]



Notre modélisation
Nous généralisons le mod
$$dX_t = b_t dt + e^{-\theta t} T_t^{-1} dW_t$$

défini sur $(\Omega, \mathcal{F}, (\mathcal{F}_t)_{t \geq 0})$
Objectifs
• Estimation efficace
• Estimation non para
• Test de l'effet Samu

“Implementing a complex set of measures that link the public interest to private interests”.

PIERRE-NOËL GIRAUD,
research professor at CERNA,
MINES ParisTech and Dauphine



STRONG RESULTS

●
Crédit Agricole CIB has undergone a nearly 10-year evolution to gradually build a strong CIB that can serve the Group and its clients. This business model has shown its relevance year after year, and in 2016 Crédit Agricole CIB's results were in line with its targets.



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PRESENTATION OF CRÉDIT AGRICOLE CIB GROUP'S FINANCIAL STATEMENTS

CHANGES TO ACCOUNTING POLICIES

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 2016 as adopted by the European Union (the carve-out version) and using certain dispensations of IAS 39 as regards macro-hedge accounting.

The standards and interpretations are identical to those used and described in the Group financial statements at 31 December 2015.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2016 and that must be applied in 2016 for the first time.

CHANGES IN CONSOLIDATION SCOPE

Changes in scope between 1 January and 31 December 2016 were as follows.

• Companies first-time consolidated in 2016

The following company entered the scope of consolidation:

- CACIB Canada Branch;
- Financière Lumis;
- Lafayette Asset Securitization LLC;
- Crédit Agricole Securities (Asia) Ltd;
- Crédit Agricole Securities Asia Limited Seoul Branch (CASAL Seoul Branch).

• Companies deconsolidated in 2016

The following companies went out of the scope of consolidation:

- Crédit Agricole Securities Taiwan;
- Immobilière Sirius S.A.;
- CLSA Financial Product;
- CA Indosuez Wealth (Global Structuring);
- Miladim;
- Calciphos;
- Armo Invest;
- Indosuez CMII Inc;
- L.F. Investment L.P.;
- L.F. Investment Inc.

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
21.06.2012		
Capital increase by payment of the dividend in shares	479,303,487	17,751,981
SHARE CAPITAL AT 31.12.2012	7,254,575,271	268,687,973
SHARE CAPITAL AT 31.12.2013	7,254,575,271	268,687,973
SHARE CAPITAL AT 31.12.2014	7,254,575,271	268,687,973
18.12.2015		
Capital increase by the issue of shares for cash	72,545,760	2,686,880
SHARE CAPITAL AT 31.12.2015	7,327,121,031	271,374,853
27.05.2016		
Capital increase by partial payment of the dividend in shares	52,236,414	1,934,682
27.06.2016		
Capital increase by the issue of shares for cash	472,278,897	17,491,811
SHARE CAPITAL AT 31.12.2016	7,851,636,342	290,801,346

CONSOLIDATED NET INCOME

CONDENSED CONSOLIDATED INCOME STATEMENT

2016

€ million	CIB	CPM and DVA and legal provisions ⁽¹⁾	Restated CIB ⁽²⁾	Wealth Management	Corporate center ⁽²⁾	CACIB	Change ⁽³⁾ 2016/2015
NET BANKING INCOME	4,365	(62)	4,427	730	(159)	4,936	+8%
Operating expenses	(2,525)		(2,525)	(555)		(3,080)	+2%
GROSS OPERATING INCOME	1,840	(62)	1,902	175	(159)	1,856	+17%
Cost of risk	(557)	(100)	(457)	(9)		(566)	+50%
Share of net income of equity-accounted entities	211		211			211	x2.6
Gain/losses on other assets	1		1	4		5	NS
PRE-TAX INCOME	1,495	(162)	1,657	170	(159)	1,506	+21%
Corporate income tax	(320)	22	(342)	(42)	41	(321)	-3%
Net income from discontinued or held-for-sale operations	11		11			11	NS
NET INCOME	1,186	(140)	1,326	128	(118)	1,196	+30%
Non-controlling interests				14		14	
NET INCOME - GROUP SHARE	1,186	(140)	1,326	114	(118)	1,182	+30%

(1) Restated for loans hedges and DVA impacts in NBI and legal provisions in cost of risk in the amounts of -€25 million, -€37 million and -€100 million respectively.

(2) Of which issuer spread for -€159 million in NBI.

(3) Change calculated on the restated CIB scope.

After a stormy start to the year, the markets saw a period of calm starting at the end of the first quarter due to the actions of the central banks and especially the ECB with the extension of its repurchase programme for Corporates. Market volatility nevertheless reappeared in May with various uncertainties around global growth and initial fears about Brexit.

The second half-year was also affected by a number of periods of uncertainty relating to important political events, including the Presidential elections in America and the referendum in Italy, whose outcomes, once known, produced further market volatility.

The end of the year also saw changes to the monetary policies of the American and European central banks: the FED increased its benchmark rates following an improvement in the business climate in the United States and the ECB announced that it would continue its repurchasing programme and that it would keep its benchmark rates unchanged.

The CIB's business was able to benefit from this difficult environment, seeing an 8% increase in revenues over the year to stand at €4,427 million at end December 2016.

Revenues generated by Capital Markets and Investment Banking improved by 12% due to the very good performance of the Fixed Income and

2015

€ million	CIB	CPM and DVA and OFAC additional litigation provision ⁽¹⁾	Restated CIB ⁽²⁾	Wealth Management	Corporate center ⁽²⁾	CACIB
NET BANKING INCOME	4,191	85	4,106	769	245	5,205
Operating expenses	(2,482)		(2,482)	(585)		(3,067)
GROSS OPERATING INCOME	1,709	85	1,624	184	245	2,138
Cost of risk	(655)	(350)	(305)	(23)	(23)	(701)
Share of net income of equity-accounted entities	59		59			59
Gain/losses on other assets	(6)		(6)	1		(5)
PRE-TAX INCOME	1,107	(265)	1,372	162	222	1,491
Corporate income tax	(381)	(30)	(351)	(43)	(91)	(515)
Net income from discontinued or held-for-sale operations	(3)		(3)			(3)
NET INCOME	723	(295)	1,018	119	131	973
Non-controlling interests	1		1	14		15
NET INCOME - GROUP SHARE	722	(295)	1,017	105	131	958

(1) Restated for loan hedges and DVA impacts in NBI and additional provisions covering the OFAC litigation in cost of risk in the amounts of €48 million, €37 million and -€350 million respectively.

(2) Of which issuer spread for €245 million in NBI.

Securitisation businesses, especially Repo, Credit and Foreign Exchange related income. Revenues from Investment Banking were also up thanks to significant transactions in terms of M&A and Equity Capital Markets.

Revenues from Financing Activities rose by 4% compared to 2015. The Structured Finance business achieved good levels of origination despite a difficult climate in certain sectors (Energy and Shipping). The Commercial Banking business showed resilience in a market environment that remains unfavourable (a slowing in global trade and an average 17% fall in the price of oil year-on-year).

Increase in expenses remained under control and were due to further support for growth in the businesses, as well as the large number of regulatory projects. The Bank's cost-to-income ratio stood at 62% at year-end 2016.

CIB's restated gross operating income rose by 17% year-on-year, a result of the outstanding performance of the operating businesses.

Excluding legal provisions, the cost of risk rose significantly compared to 2015 due to the downturn in the Energy and Shipping sectors.

Excluding impairment of UBAF and ELIPSO in 2015 for -€186 million, net income from the equity-accounted entities was down by 14% as compared to 2015, adversely affected by the increased cost of risk of Banque Saudi Fransi related to a fully provisioned credit event in the fourth quarter of 2016.

Revenues from the Wealth Management business line was down by 5% compared to 2015, and suffered from the wait-and-see attitude of clients for the major part of the year, despite a recovery in business volumes in the fourth quarter 2016.

Results for the Corporate Centre include the revaluation of the issuer spread amounting to -€159 million, a result of the tightening of spreads in 2016.

The CACIB Group share of net income sharply increased compared to 2015 to reach €1,182 million for 2016.

CRÉDIT AGRICOLE CIB

CONSOLIDATED BALANCE SHEET

ASSETS

€ billion	2016	2015
Cash, due from central banks	18.2	27.5
Financial assets at fair value through profit or loss (excl. repurchase agreements)	188.9	210.4
Hedging derivatives instruments	1.8	1.4
Available-for-sale financial assets	29.7	26.8
Loans and receivables due from credit institutions (excl. repurchase agreements)	20.0	19.2
Loans and receivables due from customers (excl. repurchase agreements)	134.9	128.4
Repurchase agreements	88.0	99.5
Accruals, prepayments and sundry assets	39.0	32.5
Non-current assets held for sale		
Investments in equity-accounted entities	2.3	2.1
Fixed assets	0.5	0.5
Goodwill	1.0	1.0
TOTAL	524.3	549.3

At 31 December 2016, Crédit Agricole CIB had total assets of €524.3 billion, down by €25 billion compared to 31 December 2015. The impact of US Dollar exchange rates is +€5.6 billion and that of the Yen is +€1.7 billion. The main variances concern the following items.

- **Money market and interbank items**

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 optimise its interbank lending and borrowing within the Group.

- **Financial assets and liabilities at fair value through profit or loss**

Financial assets and liabilities at fair value through profit or loss (excluding repurchase agreements) were down by €21.5 billion and €14.4 billion respectively over the period. 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 reduction in outstanding amounts results mainly from the decline in mark-to-market derivatives (-€13.4 billion on the asset side and -€12.6 billion on the liabilities side), especially in interest rate derivatives.

LIABILITIES

€ billion	2016	2015
Due to central banks	1.3	2.3
Financial liabilities at fair value through profit and loss (excl. repurchase agreements)	215.2	229.6
Hedging derivative instruments	1.1	1.4
Due to credit institutions (excl. repurchase agreements)	41.4	45.4
Due to customers (excl. repurchase agreements)	105.8	110.7
Revaluation adjustment of interest-rate-hedged portfolios	0.1	0.1
Repurchase agreements	51.9	61.2
Debt securities	47.1	48.1
Accruals, deferred income and sundry liabilities	33.3	26.7
Liabilities associated with non-current assets held for sale		
Provisions for liabilities and charges	1.4	1.3
Subordinated debt	6.1	5.0
Non-controlling interests	0.1	0.1
Equity - Group share (excl. income)	18.3	16.4
Net income - Group Share	1.2	1.0
TOTAL	524.3	549.3

- **Securities bought or sold under repurchase agreements**

The repo activities are largely concentrated in Paris, which accounted for 63% of securities purchased and 68% of securities sold under repurchase agreements. The decline in securities purchased and sold under repurchase agreements in 2016 stemmed primarily from the reduction in trading activities at CACIB Paris and CACIB New York.

The main transactions entered into with related parties are disclosed in the consolidated financial statements for the year ended 31 December 2016 "General Framework - Related parties" section.

- **Accruals and deferred income and miscellaneous assets and liabilities**

Accruals, deferred income and sundry assets and liabilities consist mainly of security deposits on market and brokerage transactions.

- **Equity, group share**

Group share of shareholders' equity (excluding net income for the period) was €18.3 billion, up by €1.9 billion compared with the figure at 31 December 2015. This resulted from a capital increase (0.4 billion), the payment of the premium and dividends (0.9 billion) and the issuance of AT1 deeply subordinated notes (0.6 billion).

CONDENSED BALANCE SHEET OF CRÉDIT AGRICOLE CIB (S.A.)

ASSETS			LIABILITIES		
€ billion	31.12.2016	31.12.2015	€ billion	31.12.2016	31.12.2015
Interbank and similar transactions	100.0	103.8	Interbank and similar transactions	66.1	83.5
Customer transactions	143.3	160.2	Customer accounts	125.9	127.3
Securities transactions	27.5	27.4	Debt securities in issue	41.4	45.9
Accruals, prepayments and sundry assets	258.1	267.3	Accruals, deferred income and sundry liabilities	278.2	288.8
Non-current assets	6.6	6.8	Impairment and subordinated debt	12.3	9.3
			Fund for General Banking Risks	0.1	0.1
			Shareholders' equity (excl. FGBR)	11.5	10.6
TOTAL ASSETS	535.5	565.5	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	535.5	565.5

Crédit Agricole CIB (S.A.) had total assets of €535.5 billion at 31 December 2016, down €30 billion compared with 31 December 2015.

• Money market and interbank items

Interbank assets fell by €3.8 billion (-3.7%), with variances of -€7.4 billion euros in deposits with central banks, -€3.4 billion in receivables from credit institutions and +€6.9 billion in government securities, mainly in the trading portfolio.

Interbank liabilities fell by €17.5 billion (-20.9%), with variances of -€12.7 billion on repurchase agreements and -€5 billion on term borrowings.

• Customer transactions

Assets and liabilities decreased respectively by €16.9 billion (-10.5%) and €1.4 billion (-1%).

The decline in assets from customer transactions was the result of lower income from repurchase agreements amounting to €20 billion, partly offset by higher customer credits and loans amounting to €3.5 billion.

Among liabilities, loans to customers decreased by €7 billion, while ordinary accounts and repurchase agreements grew respectively by €3.8 billion and €1.9 billion.

• Portfolio securities and debts represented by a security

Securities transactions were stable on the asset side, but debts securities were down by €4.5 billion (9.8%).

This decrease may be broken down into lower issues of negotiable debt securities issued abroad (-€3 billion) and in France (-€1.5 billion).

• Accruals, deferred income and sundry assets and liabilities

The accruals and deferred income items mainly record the fair value of derivative instruments. These amounts are reported in "Financial assets and liabilities measured at fair value" in the consolidated financial statements. Accruals were down €9.5 billion on the asset side (-4.7%) and €5.4 billion on the liabilities side (-2.7%), mainly on interest rate swaps.

The "Other assets" and "Other liabilities" items consist primarily of premiums on contingent derivatives and miscellaneous debtors and creditors. Other assets increased by €0.4 billion while Other liabilities decreased by €5.2 billion.

On the asset side, the reduction of €6.9 billion in financial options bought was offset by a €6.6 billion increase in Miscellaneous debtors.

On the liabilities side, the decrease was due to financial instruments sold (€7.7 billion) and counterparty transactions (trading securities at €2.8 billion). At the same time, Miscellaneous creditors increased by €3.2 billion and settlement accounts relating to securities transactions by €1.5 billion.

• **Provisions and subordinated debt**

Provisions increased by €1.2 billion (+46.75%). This increase mainly concerned provisions for other risks and expenses (€1.1 billion). Subordinated debts increased by €1.9 billion (27.73%), including a variance of €1.3 billion in fixed-term subordinated debt in Euros and €0.6 billion in undated subordinated debt in Dollars.

• **Accounts payable by due date: Crédit Agricole CIB (S.A.)**

€ thousands	31.12.2016				31.12.2015			
	≤ 30 days	> 30 days	> 60 days	Total	≤ 30 days	> 30 days	> 60 days	Total
		≤ 60 days				≤ 60 days		
Accounts payable	6,357	4,071	2,758	13,187	11,347	481	3,591	15,418

The median payment period for accounts payable at Crédit Agricole CIB is 35 days. Crédit Agricole CIB had outstanding payables of €13.2 million at 31 December 2016, compared with €15.4 million at 31 December 2015.

INFORMATIONS ON INACTIV BANK ACCOUNTS

Under Articles L. 312-19 and L. 312.20 of the French Monetary and Financial Code, issued by the Law No 2014-617 of 13 June 2014 relative to unclaimed assets on inactive bank accounts, named Law Eckert which came into force on 1 January 2016, every credit institution is required to publish annual information on inactive bank accounts. At end 2016, Crédit Agricole CIB S.A. registers 26 inactive bank accounts for a total of assets estimated to €1,109,550. At the end of the 2016 financial period, a total amount of €10,985 has been transferred to the Caisse des Dépôts et Consignations related to three identified inactive bank accounts in Crédit Agricole CIB books.

CONDENSED INCOME STATEMENT OF CRÉDIT AGRICOLE CIB (S.A.)

€ million	2016	2015
Net Banking Income	3,363	3,689
Operating expenses	(2,427)	(2,314)
GROSS OPERATING INCOME	936	1,375
Cost of risk	(536)	(292)
NET OPERATING INCOME	400	1,083
Net gain/(loss) on fixed assets	3	(604)
PRE-TAX INCOME	403	479
Corporate income tax	279	(45)
NET INCOME	682	434

The 2016 financial year was once again affected by major volatility in the financial markets due to the many periods of uncertainty over global growth and the highly unusual political situation caused by Brexit, the American Presidential elections and the referendum in Italy.

The end of the year also saw an increase in the American benchmark rates and the continuation of the ECB monetary policy (repurchasing programme right up to December and unchanged benchmark rates).

Net banking income for the 2016 financial year reached €3.4 billion, €326 million lower than for the year ended 2015.

Operating expenses, excluding provisions, increased by €30 million (+1.32%).

In view of these factors, gross operating income fell by €439 million (-31.94%) to +€936 million at 31 December 2016.

The cost of risk was €536 million in 2016, compared with €292 million the previous year.

Directly or indirectly 100% owned by Crédit Agricole S.A. (CASA), Crédit Agricole CIB (CACIB) is part of the tax consolidation group formed by CASA and is head of the CACIB tax sub-group constituted with the member subsidiaries of the tax consolidation group.

The aggregation "Income tax charge" consists mainly of the CASA subsidy for the tax losses of the sub-group.

Crédit Agricole CIB (S.A.) recorded net income of +€682 million in 2016, compared to €434 million the previous year.

FIVE-YEAR FINANCIAL SUMMARY

Items	2012	2013	2014	2015	2016
Share capital at year-end (€)	7,254,575,271	7,254,575,271	7,254,575,271	7,327,121,031	7,851,636,342
Number of shares issued	268,687,973	268,687,973	268,687,973	271,374,853	290,801,346
TOTAL RESULTS OF REALIZED TRANSACTIONS (IN € MILLION)					
Gross revenue (excl.tax)	8,232	6,581	8,178	7,808	7,306
Profit before tax, amortization and reserves	637	272	48	770	1,223
Corporate income tax	(641)	(34)	(77)	(45)	279
Profit after tax, amortization and reserves	1,129	522	1,318	434	682
Amount of dividends paid		999	999	899	983
EARNING PER SHARE (€)					
Profit after tax, before amortization and reserves	4.76 ⁽¹⁾	1.14 ⁽²⁾	0.46 ⁽³⁾	2.70 ⁽⁴⁾	5.34 ⁽⁵⁾
Profit after tax, amortization and reserves	4.20 ⁽¹⁾	1.94 ⁽²⁾	4.90 ⁽³⁾	1.62 ⁽⁴⁾	2.42 ⁽⁵⁾
Dividend per share		3.72	3.72	3.34	3.38
STAFF					
Number of employees	6,964 ⁽⁶⁾	6,230 ⁽⁶⁾	6,241 ⁽⁶⁾	6,222 ⁽⁶⁾	6,473 ⁽⁶⁾
Wages and salaries paid during the financial year (in € million)	953	880	942	961	1,000
Employee benefits and social contributions (in € million)	300	271	276	283	304
Payroll taxes (in € million)	39	31	39	39	35

(1) Calculation based on number of shares issued excluding treasury stock at end 2012, i.e. 268,687,973 shares.

(2) Calculation based on number of shares issued excluding treasury stock at end 2013, i.e. 268,687,973 shares.

(3) Calculation based on number of shares issued excluding treasury stock at end 2014, i.e. 268,687,973 shares.

(4) Calculation based on weighted average number of common shares outstanding during the period, i.e. 268,791,031 shares.

(5) Calculation based on weighted average number of common shares outstanding during the period, i.e. 281,517,355 shares.

(6) Average headcount.

SOLVENCY INDICATORS AND RATIOS

SOLVENCY RATIOS

€ million	31.12.2016		31.12.2015	
	Phased in	Fully loaded	Phased in	Fully loaded
Share capital and reserves, Group share ⁽¹⁾	16,476	16,617	15,120	15,258
(+) Tier 1 capital in accordance with French Prudential Supervisory and Resolution Authority stipulations (shareholder advance)				
(+) Minority interests	98		93	
(-) Prudent valuation	(278)	(278)	(286)	(286)
(-) Deductions of goodwill and other intangible assets	(1,180)	(1,180)	(1,159)	(1,159)
(-) Deferred tax assets dependent on future profitability and unrelated to temporary differences net of related deferred tax liabilities	(25)	(42)	(172)	(429)
(-) Insufficient adjustments for credit risk in relation to expected loss based on internal ratings-based approach deducted from CET1	(11)	(11)	(10)	(10)
(-) 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⁾	(1,036)	(1,036)	(1,089)	(1,175)
CET1 instruments held by financial sector entities in which the credit institution has a significant investment	2,537	2,537	2,407	2,407
The deductible deferred tax assets that rely on future profitability arising from temporary differences	572	572	569	569
Utilisation of the exemption threshold of 10% (i) individually for CET 1 instruments of financial sector entities on the one hand (ii) deferred tax on the other hand	1,501	1,501	1,318	1,318
(-) Transparent treatment of UCITS	(3)	(3)	(9)	(9)
Transitional adjustments and other deductions applicable to CET1 capital ⁽²⁾	325	(89)	464	(190)
COMMON EQUITY TIER 1 CAPITAL (CET1)	14,366	13,978	12,952	12,000
Equity instruments eligible as AT1 capital	2,435	2,435	1,800	1,800
Grandfathered equity instruments otherwise ineligible as AT1 capital	2,615		2,744	
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	(207)		(327)	
ADDITIONAL TIER 1 CAPITAL	4,843	2,435	4,217	1,800
TIER 1 CAPITAL	19,210	16,413	17,169	13,800
Equity instruments and subordinated debt eligible as Tier 2 capital	2,862	2,862	1,555	1,555
Ineligible equity instruments and subordinated debt	30		30	

€ million	31.12.2016		31.12.2015	
	Phased in	Fully loaded	Phased in	Fully loaded
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	430	430	451	451
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	(207)		(269)	
TIER 2 CAPITAL	3,116	3,292	1,767	2,006
TOTAL CAPITAL	22,325	19,706	18,936	15,806
TOTAL RISK-WEIGHTED ASSETS	123,160	123,160	124,325	124,109
CET1 ratio	11.7%	11.3%	10.4%	9.7%
Tier 1 ratio	15.6%	13.3%	13.8%	11.1%
Total capital ratio	18.1%	16.0%	15.2%	12.7%

(1) This line is detailed in the table showing the reconciliation of accounting and regulatory capital.

(2) This line includes the transitional adjustment for exceeding the ceiling on CET1 instruments of entities in the financial sector in which the establishment holds a major stake.

The fully loaded Common Equity Tier 1 (CET1) capital stood at €14 billion at 31 December 2016, up €2 billion compared with year-end 2015.

The events affecting CET1 in 2016 consist of a foreign exchange impact of +€0.2 billion, the realisation of an increase in share capital of +€1 billion as well as the net decrease in the amount of items filtered or deducted for prudential reasons (a net +€0.8 billion, of which: +€0.1 billion for the filter concerning changes in the value of own liabilities, +€0.4 billion for deferred taxation, +€0.1 billion for significant holdings of CET1 issued by entities in the financial sector over and above the ceiling and +€0.1 billion for Prudent valuation).

The phased-in Common Equity Tier 1 (CET1) capital stood at €14.4 billion at 31 December 2016, or €0.4 billion higher than the fully loaded amount. This variance resulted mainly from the phasing of the excess over and above the ceiling (+€0.4 billion). The unfavourable phasing on unrealised capital gains and losses (-€0.1 billion) was offset by the exclusion of minority interests, deferred tax assets and DVA (+€0.1 billion).

The detail of fully loaded and phased-in Common Equity Tier 1 (CET1) capital is as follows:

- fully loaded capital and reserves stood at €16.6 billion up by €1.4 billion compared to end 2015, mainly due to the impact of foreign exchange on the structural position (+€0.2 billion), the realisation of an increase in share capital (+€1 billion), changes in the value of own liabilities and the cash flow hedge filtered for regulatory capital (impact of +€0.2 billion) and the net income from planned distributions (+€0.2 billion). The phased-in capital and reserves amount to €16.5 billion, up by €1.4 billion compared to 2015 explained by the same elements;
- the deduction for prudent valuation was €0.3 billion, stable compared to 31 December 2015;
- the deductions from capital for goodwill and other intangibles amounted to €1.2 billion on both a fully loaded and phased-in basis, stable compared to December 2015;

SOLVENCY INDICATORS AND RATIOS

- deferred taxes assets (DTA) dependent upon future profitability related to tax loss carryforwards were almost nil on both a fully loaded and phased-in basis, down by €0.4 billion compared to end 2015;
- CET1 instruments of significant financial stakes (over 10%) amounted to €2.5 billion. They are subject to the calculation of an exemption threshold, and the amount by which it is exceeded amounted to €1 billion on a fully loaded basis and €0.6 billion on a phased-in basis;
- deferred tax assets (DTA) dependent upon future profitability arising from temporary differences amounted to €0.6 billion at 31 December 2016, stable compared to 31 December 2015. They are subject to the calculation of an exemption threshold and are treated as risk-weighted assets and weighted at 250%.

Fully loaded Tier 1 capital (Tier 1) at €16.4 billion, came in €2.6 billion above its 31 December 2015 level, while the phased-in Tier 1 capital was €19.2 billion, an increase of €2 billion compared to 31 December 2015. This includes the CET1 capital described above and the Additional Tier 1 capital, which underwent the following changes:

- hybrid securities included in Tier 1 capital eligible under Basel III amounted to €2.4 billion, up by €0.6 billion and explained by the June 2016 issuance.
- the entire stock prior to 1 January 2014 was ineligible on a fully loaded basis. On a phased-in basis, an amount of debt equivalent to a maximum of 60% of the base at 31 December 2012 can be held because of grandfathering provision. The amount of these “grandfathered” securities decreased due to the early repayment of a deeply subordinated note issued in Dollars for an amount of €0.2 billion (value at 31 December 2015); the net decrease in the amount recognised relative to the grandfathering clause was limited to €0.1 billion due to the impact of foreign exchange: the amount of residual stock benefiting from grandfathering was, at 31 December 2016, well below the maximum possible basis despite the latter having been reduced;

- on a fully loaded basis, no deduction is made from this tier. Conversely, on a phased-in basis, CET1 instruments of significant financial stakes (over 10%) not deducted from CET1 due to the phasing mechanism, are deducted from the Common Equity Tier 1 capital for 50% of their amount.

This line represented €0.2 billion at 31 December 2016. At €3.3 billion, fully loaded Tier 2 capital was €1.3 billion higher than at 31 December 2015;

- the hybrid securities included in Tier 2 capital eligible for Basel III amounted to €2.9 billion, up by €1.3 billion following the issue of two subordinated loans of €0.75 billion and €0.5 billion;
- surplus provisions relative to expected losses eligible under the internal ratings-based approach and general credit risk adjustments under the standardised approach came to €0.4 billion at 31 December 2016, stable compared to 31 December 2015;
- on a fully loaded basis, no deduction is made from this tier. Conversely, on a phased-in basis, CET1 instruments held in significant financial stakes (over 10%) not deducted from CET1 (because of the phasing mechanism) are deducted from Tier 1 Capital to the limit of 50%. This line represented €0.2 billion at 31 December 2016.

In all, fully loaded total capital at 31 December 2016 stood at €19.7 billion, or €3.9 billion higher than at 31 December 2015. At €22.3 billion, phased-in total capital was €3.3 billion higher than at 31 December 2015.

LEVERAGE RATIO

Article 429 of the CRR specifying the methods for calculating the leverage ratio was amended and replaced by the Delegated Act No 2015/62 of 10 October 2014. The delegated act was published in the OJEU on 18 January 2015.

Publication of the ratio at least once a year is mandatory as of 1 January 2015. Institutions can choose to publish a fully loaded ratio, a phased-in ratio or both ratios.

If the institution decides to change its publication choice, at the time of first publication it must reconcile the data for all of the ratios previously published with the data for the new ratios selected for publication.

An observation period has been introduced for the leverage ratio running from 1 January 2014 to 1 January 2017 to monitor the components and the behaviour of the ratio relative to the requirements based on risk.

According to the draft texts published on 23 November 2016 for CRR II/CRD V legislation, the implementation in Pillar 1, which was initially scheduled in CRR for 1 January 2018, could be delayed.

A requirement for a two-level leverage ratio is envisaged: it could be 3%, the level indicated by the Basel Committee for non G-SIB, and a higher level for the G-SIB.

The leverage ratio is defined as the Tier 1 capital divided by the exposure measure, i.e. balance sheet and off-balance-sheet assets after certain restatements of derivatives, intragroup transactions, securities financing transactions, items deducted from the numerator, and off-balance-sheet items.

Crédit Agricole CIB considers the leverage ratio as an additional measure to the constraints that weigh on solvency and liquidity, and that already limit the size of the balance sheet. As part of the process of monitoring excess leverage, constraints are actively managed. Crédit Agricole CIB's leverage ratio increased by 0.41 bps in 2016 and was 3.92%.

MORE INFORMATION

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