



ACTIVITY  
REPORT  
2018

# A WHOLE BANK JUST FOR YOU

As a trusted partner to its customers, Crédit Agricole has remained true to its enduring values of **customer focus, accountability and solidarity** for 125 years. Crédit Agricole is committed to establishing long-term relationships with all its customers to support their projects, prepare for life's uncertainties and protect their interests.

It serves all customers, from low-income families to high net worth individuals, from local merchants to farmers and multinationals, committing to transparency, loyalty and straightforward information.

Its customer-focused **universal banking model** underpins an ambitious **Customer Project** focused on building comprehensive and lasting relationships. The synergy between Crédit Agricole's different businesses provides each customer with a diverse pool of expertise and a distribution model that delivers a 100% human, 100% digital banking experience.

The Group aims **for excellence in customer relations to the benefit of all**, with: **day-to-day banking, lending and savings products, insurance, asset management, wealth management, leasing, factoring, corporate and investment banking, asset servicing, payment services and real estate.**

**Crédit Agricole's Corporate Social Responsibility policy** lies at the heart of its cooperative and mutual identity, and its ambition. It actively addresses environmental and social issues by supporting progress and change.

Systematic integration of climate risk into its financing and investment strategies (for asset management and insurance), as well as the bank's increasing involvement in renewable energy projects and its support for customers transitioning to a low-carbon economy illustrate its commitment.

This policy is embodied by the engagement of its 141,000 employees.

**1<sup>er</sup>**  
Bancassurer in Europe Provider of financing to the French economy  
European asset manager



**51 M**  
customers



**141 000**  
collaborateurs



**47**  
COUNTRIES

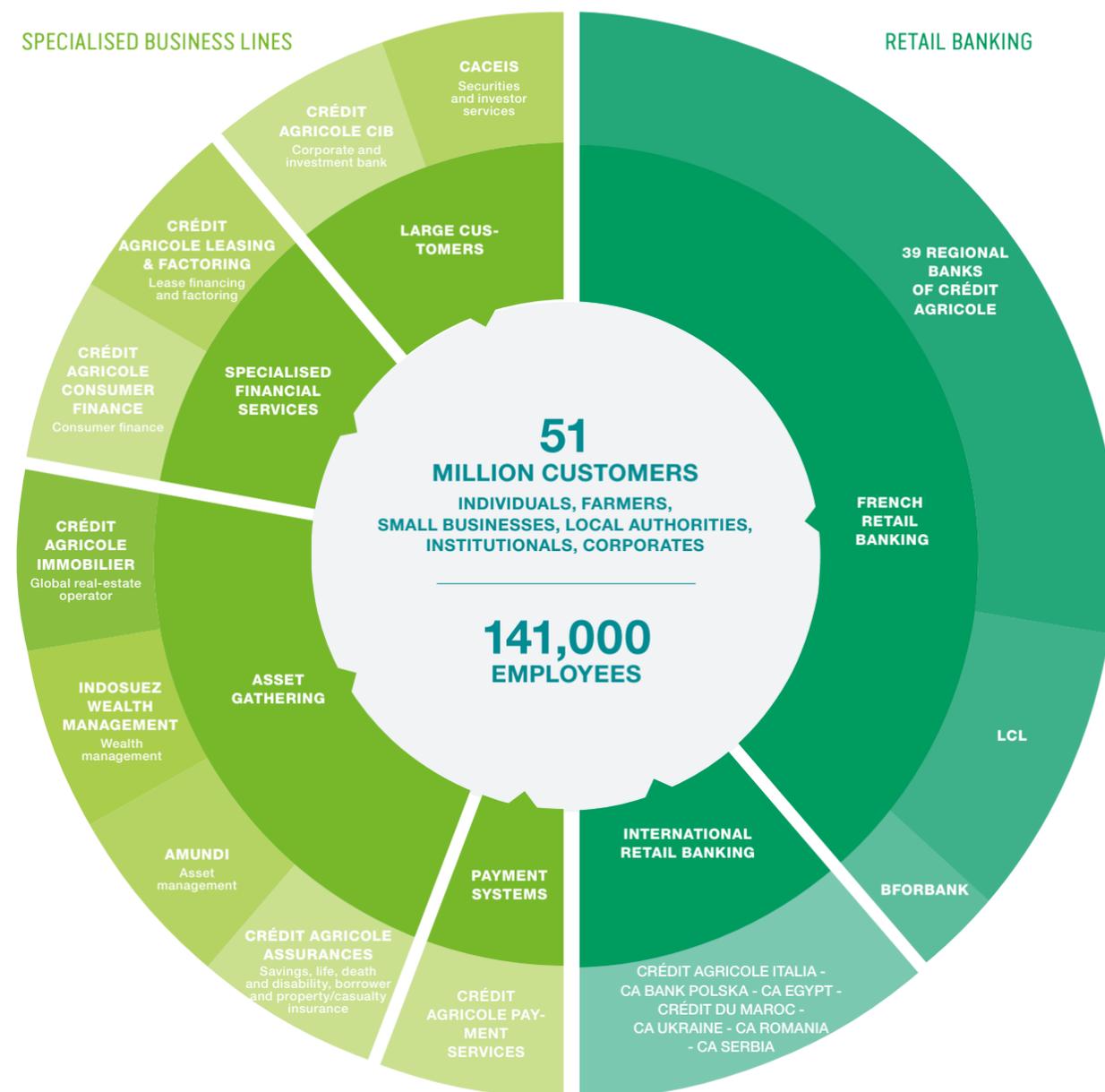
## GROUP ORGANISATION

**More than 10 million mutual shareholders** underpin Crédit Agricole's cooperative organisational structure. They own the capital of the **2,432 Local Banks** in the form of mutual shares and they elect their representatives each year. **More than 30,000 directors** work in their best interests.

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. Their sounding board is the Fédération Nationale du Crédit Agricole, where the Group's strategic vision and policies are discussed.

The Regional Banks together own, via SAS Rue La Boétie, the majority (56.3%) of the share capital of Crédit Agricole S.A. Working with its specialist subsidiaries, Crédit Agricole S.A. coordinates the various business lines' strategies in France and abroad.



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

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# A WORD FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER



Philippe BRASSAC  
Chairman of Crédit Agricole CIB's  
Board of Directors

« **Crédit Agricole CIB is actively involved in Crédit Agricole's universal approach to financing the economy.** »

Crédit Agricole Group's results for 2018 are very satisfactory and demonstrate the strength of our universal banking model. All business lines contributed to these results, in spite of a difficult economic environment in the markets. The Large Clients division accounts for nearly 35% of Crédit Agricole S.A.'s net result.

Through its daily commitment, in France and abroad, to serve large and medium-sized companies as well as financial institutions, Crédit Agricole CIB is actively involved in Crédit Agricole's universal approach to financing the economy. Being a universal bank also means supporting our clients to provide together answers to the great challenges of our times. Among these, climate change is without a doubt one of the main challenges. Thanks to its long-standing experience, Crédit Agricole CIB has become a global leader in financing large environmental infrastructures throughout the world and issuing green bonds. Its pioneering position in this area also puts Crédit Agricole CIB at the heart of international climate discussions and allows it to introduce standardisation initiatives and develop best practices.

For the next medium-term plan which will be announced on June 6<sup>th</sup>, we would like to amplify our Client Project by aiming for excellence in our relationships. We will place particular emphasis on helping our clients with their environmental issues by offering practical and suitable solutions for the energy transition. Finally, we want to develop and improve the technical and relationship skills of our employees who are in daily contact with our clients.

I know that Crédit Agricole CIB's expertise will be essential for the whole Group, in particular in the field of climate finance. I also know that the mobilisation of all our members of staff is a strategic asset that will allow us to provide practical answers to all these challenges.



Jacques RIPOLL  
Chief Executive Officer  
of Crédit Agricole CIB

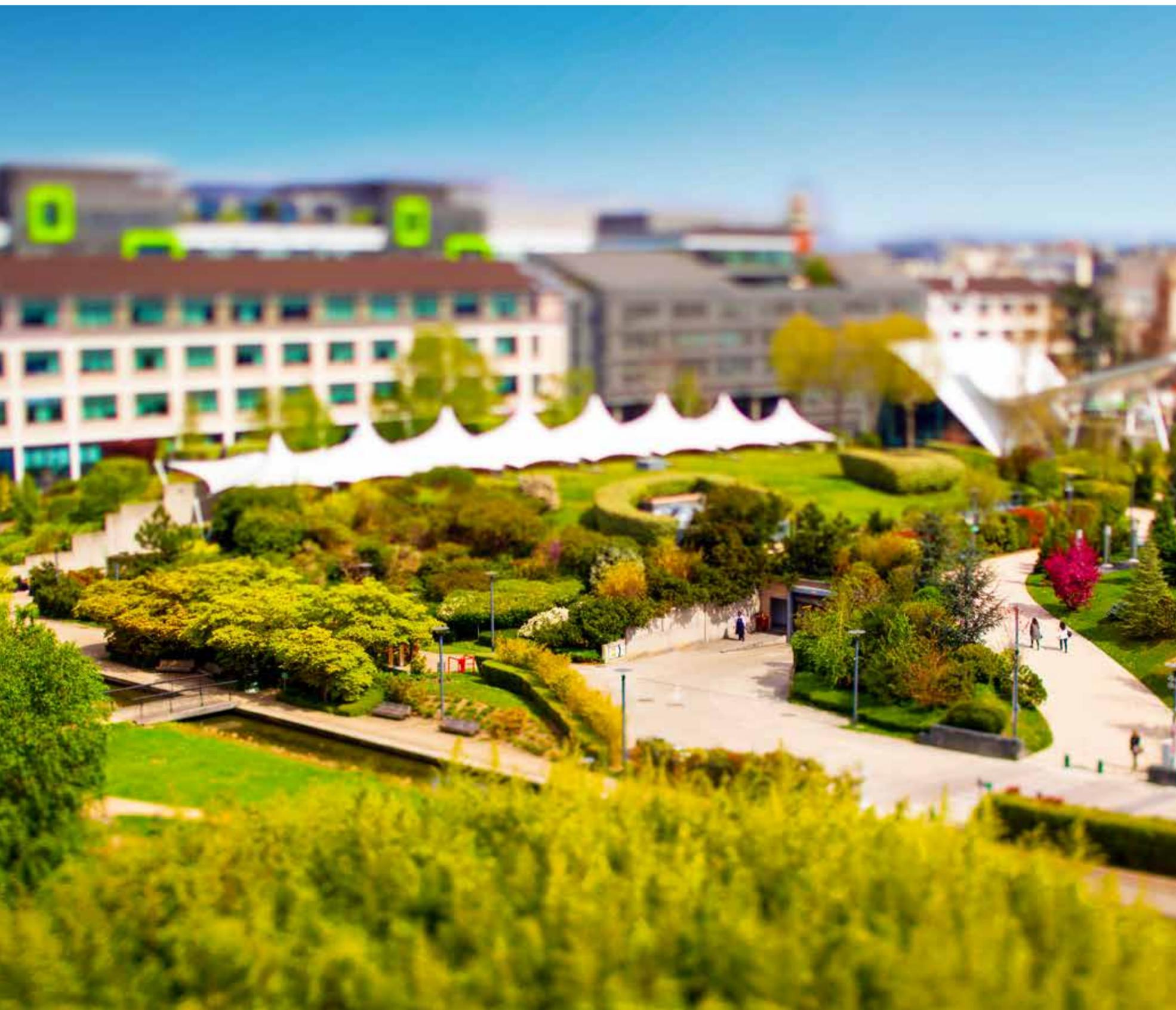
« **Our business model is relevant: it is strong, long-term and makes us more resilient against market volatility.** »

In 2018, Crédit Agricole CIB achieved satisfactory results and maintained its positions in a challenging market. Commercial momentum was strong in most of its business lines, particularly in structured finance and commercial banking. Market activities experienced a particularly unfavourable environment in the fourth quarter and investment banking was adversely affected by a lacklustre market. Costs remained under control and this year's results benefited from a lower cost of risk with provision write-backs recorded over three consecutive quarters. Crédit Agricole CIB's net income group share reached 1.5 billion euros, a 7% increase compared to the previous year.

In 2018, we received many awards for our leading positions in project, transport, infrastructure, export and climate finance. These various awards confirm Crédit Agricole CIB's commercial prowess and are the result of a coordinated commercial approach.

Our business model is relevant: it is strong, long-term and makes us more resilient against market volatility. It is built around key guidelines that steer our daily actions: supporting our clients over the long term, financing the real economy, affirming clear values in terms of social and environmental responsibility and finally, maintaining a moderate risk profile.

In the coming years, we plan to stay on this course while adapting to the changes in our businesses triggered by new regulatory constraints that will reduce banks' profitability and by the digitalisation of products and services that are already transforming our industry. To meet these major challenges, we will continue to focus on our clients, supporting them as best we can with their financing and investment needs. We will also adapt our organisation and our product offering in the changing environment, while controlling our cost base and thus our profitability. Going forward we will drive agility with determination and make the necessary adjustments required to make Crédit Agricole CIB the trusted partner of the Corporate and financial institution clients of Crédit Agricole Group throughout the world. Every day our teams make the commitment to fulfil this mission.



# 1

## PROFILE AND HIGHLIGHTS

P. 6 | Crédit Agricole CIB's business model

P. 8 | 2018 highlights

# OUR BUSINESS MODEL: TO BE YOUR TRUSTED PARTNER

A sound, responsible, committed bank to serve clients of Crédit Agricole Group (financial institutions, Corporates, mid-caps) by relying on its strong expertise in corporate, market, investment banking and wealth management, as well as its extensive client coverage and moderate risk policy.

## OUR RESOURCES



### A HIGHLY DIVERSE STAFF

**11,544**  
including 3,219  
in private banking

**43%**  
of women

**57%**  
outside France



### AN EXTENSIVE INTERNATIONAL NETWORK

37 LOCATIONS\*

**17**  
Europe

**9**  
Asia-Pacific

**8**  
Americas

**3**  
Africa  
Middle-East



### RECOGNISED EXPERTISE

Project financing	Real-asset financing	Bond issues
Green, social and sustainability bonds	Syndicated loans	Advisory and discretionary management



### STRONG VALUES

Strong CSR commitments

Long-term support for our clients on real-economy projects



### AN AFFILIATION WITH A STRONG BANKING GROUP

**15%**  
for the Group's CET1

**€20.4bn**  
in Crédit Agricole CIB equity



### SATISFACTORY LONG-TERM RATINGS

S&P  
**A+**  
Stable, 10/19/2018

Moody's  
**A1**  
Positive, 07/05/2018

Fitch  
**A+**  
Stable, 12/04/2018

\*including private banking

## OUR VALUE CREATION



### OUR ROLE

Supporting our clients' asset-backed financing projects

Meeting their cash management and global business needs

Arranging syndicated loans

Offering risk hedging, financings, and investment solutions involving the market or private investors

Advising our clients in their balance sheet issues

Supporting our clients in managing, structuring, protecting, and transferring their wealth



### OUR AMBITIONS (2020 STRATEGIC AMBITION)

Being the preferred, committed partner of our clients for the long term

Strengthening our presence with financial institutions

Supporting companies with which we have a close relationship

Maintaining our leading position in structured finance

Rounding out our service offering with cash-flow products (especially cash management)

Providing flexibility for investment and innovation

Optimising our scarce resources to better support our clients

## OUR ACHIEVEMENTS WITH OUR STAKEHOLDERS



### Clients

**4,085 clients**

(in Corporate and Investment Banking)

**2,228**  
Corporate clients

**1,857**  
financial institution clients

**€123bn**  
in wealth management assets

**€208bn**  
in real-asset financing



### AWARDS

**Transport Finance House of the Year**  
(Global Transport Finance)

**SRI Green Bond House of the Year**  
(IFR Awards)

**Global Bank of the Year**  
(Infrastructure Investor)

**Power Performer of the Year**  
(mtn-i)



### Employees

### COMMITMENT AND RESPONSIBILITY

**84%**  
of employees are proud to work for Crédit Agricole CIB

**79%**  
recommend Crédit Agricole CIB as a good employer

**72%**  
feel that they have a good work-life balance

**243,244**  
HOURS OF TRAINING

### COMMUNITY-MINDED PHILANTHROPY

With the "Solidaires" programme, we financially support our employees who volunteer for charities

### ACTIVE POLICY FOR YOUNG PEOPLE AND WORK/STUDY PARTICIPANTS

(533 work/study contracts, 102 VIE participants)



### Civil society

### ENERGY TRANSITION FINANCING

**€43bn**  
in financings

### 100% OF CORPORATE CLIENTS AWARDED A CSR SCORE

### AN INNOVATIVE APPROACH TO SERVE OUR CLIENTS AND EMPLOYEES

We support our employees in their innovation pursuits up to the successful conclusion of their projects

We are partners, and in some case also minority shareholders, of Fintech, to develop blockchain in our activities

We have launched a digital transformation of the Bank's client experience

### Crédit Agricole Group

### SOLID FINANCIAL RESULTS FOR CRÉDIT AGRICOLE CIB

**€5,276m**  
NBI  
Contribution to CASA net income group share (30%)

**€1,479m**  
Net income group share

**€1,380m**  
...AND A MODERATE RISK PROFILE

VaR of  
**€5.1m**

### STRONG GROUP SYNERGIES

We use our foreign exchange and interest rate expertise to serve Crédit Agricole Group and its clients

We are active contributors to improving the Group's operational performance

We have successfully pooled our expertise within the Large Clients division to support Private Equity Funds

For more details, visit our website:  
[About us > Our profile](#)

# 2018 HIGHLIGHTS



## Japan

### A trusting relationship with SoftBank

In 2018, SoftBank Group Corp. took the strategic decision to list SoftBank Corp., its Japanese Telecommunications subsidiary. This listing, one of the largest ever carried out, allowed the company to properly recognise the value of its main asset in the Telecoms sector, and to make a transition from a Telecoms operator to a holding company with a specific focus on the Technology sector.

Several transactions improving the group's debt structure and terms were carried out to pave the way for the listing. Crédit Agricole CIB played a major role in each one of these deals. This transaction strengthens a relationship of more than 15 years with the Japanese Telecoms giant.

## Patronage

### A PARTNERSHIP WITH THE PARIS OPERA



In 2019, the Paris Opera will celebrate its 350<sup>th</sup> anniversary. Crédit Agricole CIB has decided to be a sponsor of this prestigious institution for its anniversary season. The Bank supports several major productions of the season such as the *Lady of the Camellias*, the *Traviata* and the Paris Opera's ballet tour in Singapore and Shanghai. This support is part of the Bank's effort to promote French excellence around the world.

## Regulations

### A new scheme for the launch of MiFID II

For the implementation of MiFID II, a set of rules aimed at strengthening investor protection and financial market transparency, Crédit Agricole CIB has rolled out a new scheme. Dedicated hotlines and intranet, ambassadors and experts, a total of sixty people were mobilised worldwide to assist users within market activities.

## Private banking

### IT OUTSOURCING AND WEALTH MANAGEMENT



In October 2018, Capgemini took a 20% stake in Azqore, an Indosuez Wealth Management subsidiary specialised in externalizing IT and banking operations for wealth management players. This investment confirms the two groups' strategic ambition to create a new global reference in the outsourcing of IT and banking operations for wealth management companies and mid-sized universal banks.



## 1<sup>st</sup> in the European Private Placement market

DEALOGIC

For the second consecutive year, Crédit Agricole CIB leads the Dealogic rankings in the Euro Private Placement category (Euro PP). This achievement highlights the Bank's great expertise in this market.

## CSR

### A NEW CSR SCORING TOOL FOR CLIENTS

The Bank has set up a CSR scoring tool for Corporate clients, in order to evaluate their CSR performance as advanced, compliant or sensitive. Every Corporate client will be scored with CSR criteria at least once a year or before the beginning of a new relationship if the client is a new one.

## Latin America

### OPENING OF REPRESENTATIVE OFFICES IN COLOMBIA AND CHILE



In April 2018, Crédit Agricole CIB opened two new representative offices: one in Bogota, Colombia, the other in Santiago, Chile. These two new offices will strengthen the Bank's relations with local and international clients active in these countries. It is an important milestone for the Bank's development in Latin America.

## Innovation

### EXPERIMENTING ON KYC SHARING

With four other French banks, Crédit Agricole CIB tested a platform prototype for the «Know Your Customer» (KYC), process based on blockchain Corda technology developed by the R3 consortium.

## India

### A SUCCESSFUL CASH MANAGEMENT PROJECT

The Bank successfully launched a complete range of commercial banking services for its multinational clients in India. This is a complete reorganisation of the Bank's cash management services: a tailor-made platform of state-of-the-art solutions.

A major milestone was reached when a first version was released in December 2018. It allows the Bank to approach its clients' subsidiaries with new services. The launch of this new offer was crucial to penetrate the fast growing market of multinational companies in India.



## Rail sector

### A major transaction

In October 2018, VTG bought NACCO, the wagon leaser, from a US banking group.

This transaction strengthened VTG's fleet and consolidated its leading position in the European wagon leasing market. Crédit Agricole CIB was given several key roles in this complex cross-border transaction. The Bank acted as exclusive M&A adviser to the seller for the sale of NACCO.

It was also mandated by VTG as exclusive principal arranger and bookrunner for the acquisition financings.

## Innovation

### DIGITALISATION AND BLOCKCHAIN

Crédit Agricole CIB was involved in the creation of Komgo SA, the first company that offers to digitalise commodity trade finance with a platform using blockchain technology.

# HIGHLIGHTS

## Americas

### FIRST INDUCTION DAY FOR THE AMERICAS REGION

As part of the action plans stemming from the various commitment surveys, the Bank launched in 2016 an induction programme that revolves around several initiatives. Among these initiatives, Induction Day is a half-day event during which new employees are greeted. In April, Crédit Agricole CIB Americas celebrated its first Induction Day in the New York office. Nearly a hundred newcomers from Canada, the United States, Argentina, Mexico and Brazil made the trip for this event.

#### APPOINTMENT

### A NEW CHIEF EXECUTIVE OFFICER FOR CRÉDIT AGRICOLE CIB

In November 2018, Jacques Ripoll took office as Chief Executive Officer of Crédit Agricole CIB and Deputy General Manager of Crédit Agricole S.A. in charge of the Large Clients division, formed by the corporate and investment bank, wealth management (CA Indosuez Wealth Group) and services to institutional investors and corporates (CACEIS).



### Best bank for green capital and socially responsible investment

GLOBALCAPITAL

For the fifth consecutive year Global Capital magazine gave Crédit Agricole CIB the award for best bank in the area of green capital and socially responsible investment. This award demonstrates the clients' trust and the Bank's commitment to climate finance.



### Sustainable Finance Best SRI Financing House in Asia Pacific

GLOBAL CAPITAL ASIA

This award recognises the Bank's many transactions in the sustainable finance sector in Asia. It also illustrates the Bank's growing prominence in the region and confirms its global leading position as an arranger in the green and social bond market.

## China

### CRÉDIT AGRICOLE CIB CELEBRATES 120 YEARS IN CHINA



2018 is the 120<sup>th</sup> anniversary of Crédit Agricole CIB's presence in China. The Bank's history in this country started in 1898 when Banque de l'Indochine, which later became Banque Indosuez, opened its first subsidiary in Shanghai. An extensive knowledge of the Chinese market and a strong expertise on the European markets allow the Bank to connect China with the rest of the world.

## Human Resources

### GLOBAL BEHAVIOURS CHARTER

In 2018, Crédit Agricole CIB has adopted a global Behaviours Charter in the framework of our Code of Conduct, to foster our commitment to mutual respect, dignity and well-being. This Charter aims to raise awareness, to fight against non-acceptable behaviours such as discrimination, sexist behaviours, mental or sexual harassment, as well as all forms of violence in the workplace.

# HIGHLIGHTS

## Organisation

### A new governance for Crédit Agricole CIB

At the beginning of 2019, Crédit Agricole CIB adopted a new governance organised around an Executive Committee comprised of 7 persons: the Chief Executive Officer, Jacques Ripoll, the Deputy Chief Executive Officer, François Marion, the Deputy General Manager supervising market activities, Isabelle Girolami, the Deputy General Manager supervising financing business lines, Jean-François Balaÿ, as well as the Head of Global Coverage and Investment Banking, Didier Gaffinel, the Head of Finance, Olivier Bêlorgey, and the Head of Risk & Permanent Control,

Alexandra Boleslawski. A Management Committee comprised of the 27 main executive managers of the Bank completes this organisation.

The organisation also evolves to better develop the quality and intensity of the strategic dialogue with large global clients, to complete our product offering and to strengthen the role of the international network. To this end, a "Global Coverage and Investment Banking" (CIB) division was created to bring together the various coverage entities and the investment banking activities.



### Transport Finance House of the Year 2018

GLOBAL TRANSPORT FINANCE

Global Transport Finance named Crédit Agricole CIB Transport Finance House of the Year 2018 award during the GTF awards ceremony which took place in London on January 31<sup>st</sup> 2019. This prize rewards the aviation, rail and maritime transport sectors.

## Sector policies

### A GRADUAL WITHDRAWAL FROM HYDROCARBONS

In April 2018, Crédit Agricole CIB reviewed its CSR sector policy in the shale oil and gas sector. The purpose of this review is to exclude the financing of the most dangerous hydrocarbons for the environment.

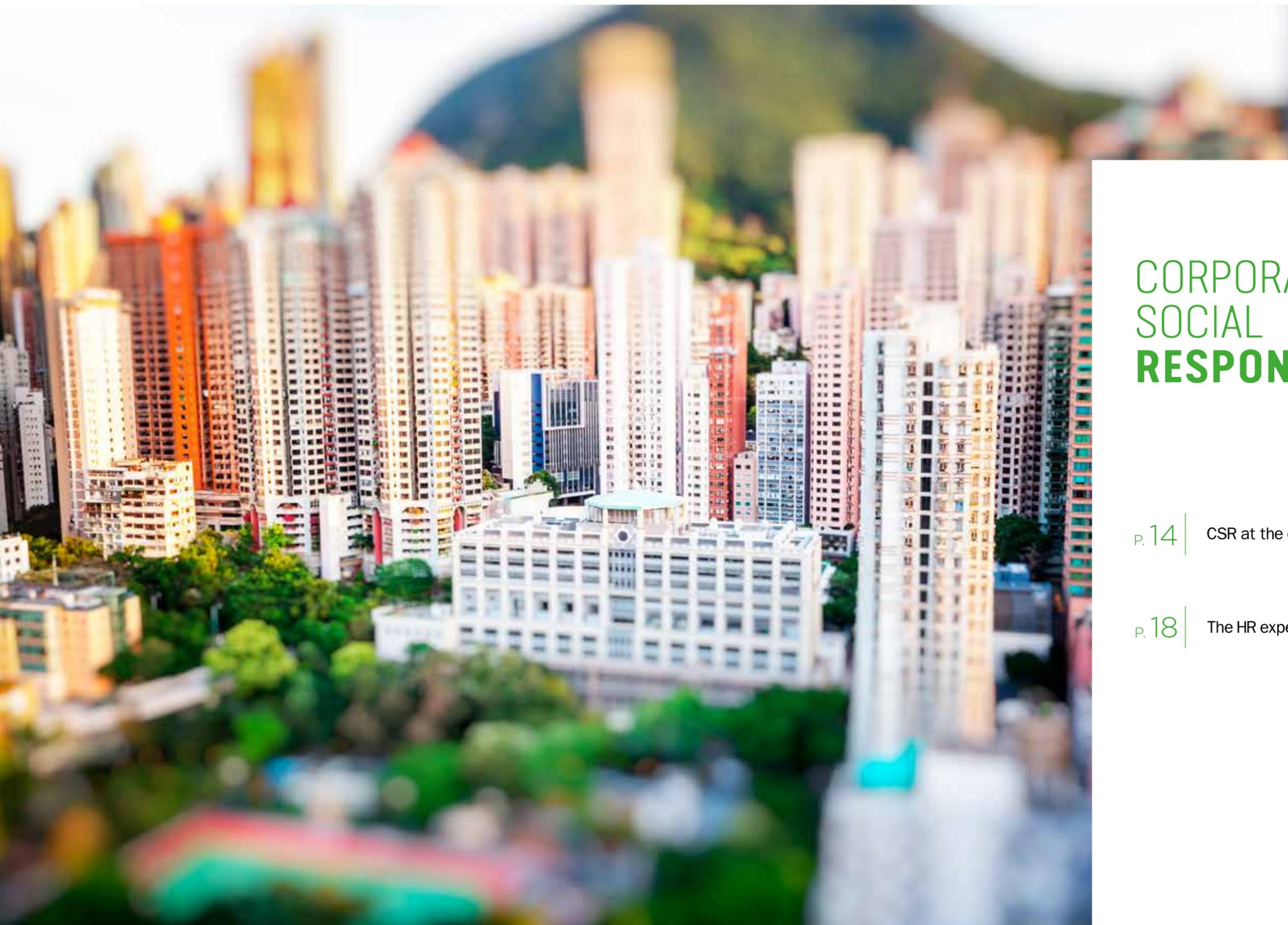
This change completes the general policy of discontinuing the financing of coal-related activities - started in 2015 and finalised in 2016 - and the financing of the least efficient and most dangerous hydrocarbons for the environment (oil sands, extra-heavy oil, oil projects in the Arctic, etc.) published in 2017.



## Climate Finance

### CLIMATE FINANCE DAY

In November, Crédit Agricole CIB took part in the Paris Climate Finance Day, an international annual event that brings together the leading players in international finance to discuss and find financial solutions to global warming related issues. Eric Cochard, head of Sustainable Development, spoke about the challenges of climate risk management.



# 2

## CORPORATE SOCIAL **RESPONSIBILITY**

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P. 18 | The HR experience in the digital age

# CSR AT THE CENTRE OF ALL OUR DECISIONS

Crédit Agricole CIB is a recognised expert in green finance. The Bank started financing renewable energy projects in 1997 and has been the world leader in the Green Bond market since 2012. Eric Cochard, head of Sustainable Development, reflects on more than twenty years of commitments and on the main principles guiding Crédit Agricole CIB.



« This social responsibility is very much part of Crédit Agricole's DNA, and the Group has always played an active role in developing its territories and supporting necessary changes. »

Eric COCHARD  
Head of Sustainable Development

## Why and how do banks have a major role to play in CSR issues?

A bank cannot replace its clients or public authorities; it can however help to achieve certain social goals through its financing policies. This social responsibility is very much part of Crédit Agricole's DNA, and the Group has always played an active role in developing its territories and supporting necessary changes.

As everybody knows, the energy and ecological transition are pressing issues and Crédit Agricole CIB is naturally actively involved in this major challenge which combines the fight against climate change, the preservation of biodiversity and respect for human rights.

For financial institutions, in addition to their social responsibility, these issues are increasingly becoming real risk factors. Reputational risks can have a lasting impact on a bank's image and its clients' trust, but above all there are credit risks linked to the impact of environmental and social factors on its clients' business models. Companies involved in the coal sector might for instance suddenly lose their econo-

mic viability, industrial accidents can have major financial consequences or supply chains can be disrupted due to extreme weather events.

More than ten years ago, we took the decision to quantify and map the climate challenges linked to our financings in order to define priority actions. In 2011, in partnership with Paris-Dauphine University and Ecole Polytechnique, Crédit Agricole CIB was the first bank to calculate the greenhouse gas emissions linked to the economic activities it finances. This map helped us identify the sectors where the stakes are the highest for us. For each of these sectors we then defined sector policies to contain the impacts of our financings and investments.



**1<sup>st</sup> global bookrunner**  
(DEALOGIC)

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with a 6.9 %, market share in Green, Social and Sustainability Bond issues

For several years you have defined and transformed Crédit Agricole CIB's often pioneering CSR policy. Looking back, what were your main guidelines?

First of all, given the strategic importance of the issues at stake, it was crucial for us to have a good understanding of the metrics and tools, and not to rely on the turnkey approaches offered by consultants. This is why we decided to forge partnerships with universities. With this original approach we took the decision to tackle the complexity of the issues directly. This makes us more efficient by avoiding a "black box" effect. We then made sure that our approach was comprehensive and consistent. We therefore decided not to focus on a particular type of financing, such as project finance, or a sector of activity, such as power generation, which represent only a limited portion of our business. This gave us a macroeconomic vision of the climate challenge and a clear understanding

+20 years

OF EXPERIENCE IN RENEWABLE ENERGY PROJECT FINANCE

48.1

BILLION EUROS IN GREEN, SOCIAL AND SUSTAINABILITY BONDS ARRANGED FOR ITS LARGE CLIENTS

114

BILLION EUROS IN NEW FINANCINGS DEDICATED TO THE ENERGY TRANSITION BETWEEN 01/01/2016 AND 12/31/2018



SHARE OF PROJECTS IN RENEWABLE ELECTRICITY GENERATION IN NUMBER OF FILES IN 2018

**Green Finance**  
**TWO NEW LOAN OFFERS DEDICATED TO THE FINANCING OF ENVIRONMENTAL PROJECTS**

Crédit Agricole CIB supports its clients thanks to new loan offers. Green loans are loans dedicated to environmental projects. ESG-Indexed Loans are loans where the margin is indexed on the borrower's ESG (Environmental, Social and Governance) performance.

## MAIN COMMITMENTS

### 2003

Crédit Agricole S.A. signs the UN Global Compact. Crédit Agricole CIB becomes a founding member of the Equator Principles.

### 2008

Joins the Global Climate Principles.

### 2009

Human rights charter following OECD guidelines. Dedicated Sustainable Banking team created within Crédit Agricole CIB.

### 2010

First sector policies introduce analysis and exclusion criteria for the most sensitive sectors.

### 2011

Innovative methodology defined to quantify the greenhouse gas emissions generated by a bank's loans and investments thanks to a partnership forged in 2006 with the Finance and Sustainable Development Chair of Paris-Dauphine University.

### 2014

Co-authors the Green Bond Principles.

### 2015

First European bank to make the commitment to cease financing coal mines and coal-fired power plants in high revenue countries.

Commitment taken on the sidelines of the COP 21 to structure USD 60 billion in green financings between the end of 2015 and the end of 2018.

### 2016

Co-authors the Social Bond Principles. Commitment to cease the financing of new coal-powered plants whatever the country involved.

### 2017

Oil and gas sector policy strengthened. Commitment taken during the COP23 to structure 100 billion euros in green financings between the end of 2015 and the end of 2020.

### 2018

Member of Finance for Tomorrow, an initiative launched in 2017 to promote sustainable finance in France and abroad.

For more details, read our Registration Document, Chapter 2.1 and 2.3



« In partnership with Paris-Dauphine University and Ecole Polytechnique, Crédit Agricole CIB was the first bank to calculate the greenhouse gas emissions linked to the economic activities it finances. »

...

of the magnitude of the issues at stake. With this knowledge, which is the foundation of sound and relevant analyses, we were able to work in two complementary directions. On the one hand, we moved from an appreciation of the current scale of the challenges we face to a more dynamic vision that measures climate risks within the framework of different scenarios. On the other hand, we completed the macroeconomic evaluation of the challenges with an assessment of our Corporate clients' ability to make the transition. This led us to define a Transition Risk Index for each client. By gradually building these operational tools, we are making a decisive contribution to Crédit Agricole Group's extra-financial performance. This method is an illustration of the FReD continuous improvement approach implemented by the Group in 2011 and based on three pillars: client

trust, respect for our employees and protection of the environment. The annual progress of the FReD action plans has an impact on the variable compensation of Group executives. Likewise, in order to strengthen the support of our employees, this indicator is also used to calculate Crédit Agricole CIB's profit-sharing scheme. Important steps still need to be taken, such as calculating our level of alignment with the guidelines of the Paris Agreement or connecting new climate risk measurements to conventional credit risk analysis tools, but the results obtained in a decade concerning a completely new problem are remarkable.



### Rewarded for the 5<sup>th</sup> year

GlobalCapital

Rewarded for the 5<sup>th</sup> consecutive year (2014, 2015, 2016, 2017 and 2018) by Global Capital for its origination activities in the Green Bond market.

"SRI Bond House of the Year" award by IFR magazine in 2015, 2016, 2017 and 2018.

## CSR ANALYSIS SCHEME PUTTING CSR AT THE HEART OF THE BANK'S DECISIONS

### 3 FUNDAMENTAL PRINCIPLES

#### EQUATOR PRINCIPLES (SINCE 2003)

**94**

signatory banks at the end of 2018. Crédit Agricole CIB was the only French bank among the first ten signatories of the charter.

#### CSR SECTOR POLICIES (SINCE 2010)

**12**

sector policies published with more stringent analysis and exclusion criteria: Oil and Gas, Shale gas, Coal-fired power stations, Hydroelectric power stations, Nuclear, Mining and metals, Aerospace, Automobile, Shipping, Transport infrastructure, Real estate, Forests and Palm oil.

#### ENVIRONMENTAL AND SOCIAL SENSITIVITY (SINCE 2009)

**2**

2 main criteria:  
- uncertainty concerning the management of critical environmental or social impacts  
- existing disputes.

#### FOR CLIENTS

##### ANALYSIS OF CLIENTS (CSR SCORING SINCE 2013)

**100%**

##### of Corporate clients

are rated using an internal rating. This analysis can be strengthened on one of the following themes:

- Physical climate risk,
- Transition climate risk,
- Water management,
- Human rights.

#### FOR TRANSACTIONS

##### ANALYSIS OF TRANSACTIONS (STARTING IN 2003)

**406**

##### project financings in the portfolio

rated using the Equator principles.

**100%**

of financings and investments subject to sector policies and sensitivity analysis.

**21**

##### Project-Related Corporate Loans

in the portfolio are rated using the Equator principles.

### GOVERNANCE

Decisions regarding transactions or clients considered sensitive in terms of CSR are taken at the highest level of the Bank.

> Recommendation of the *ad hoc* Committee to evaluate transactions with an Environmental or Social Risk (CERES).

> Decision taken by the Counterparty Risks Committee chaired by the CEO or Deputy CEO.

IN 2018, 43 FILES WERE PRESENTED TO THE CERES / 2 NEGATIVE AND 16 CONDITIONAL RECOMMENDATIONS WERE MADE.

# THE HR EXPERIENCE IN THE DIGITAL AGE

Crédit Agricole CIB would like to offer its employees an improved HR experience through digital technology. As part of its CSR commitments, the Bank now provides innovative solutions in terms of recruitment, induction, training, mobility. The goal is to facilitate employees' daily lives while encouraging quality interactions with their HR teams.

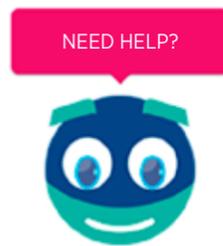
## An onboarding system for employees

As part of its digitalisation process, Crédit Agricole CIB launched in 2018 a new integration programme for employees in France, allowing them to sign their contract and complete their recruitment file online. This initiative is being rolled out in the United States, the United Kingdom, Spain, Italy and Hong Kong.

To encourage the successful induction and development of its employees, Crédit Agricole CIB offers new recruits the opportunity to assimilate the Bank's DNA through a global welcoming programme. For instance, they have access to a dedicated space on the intranet and digital training path to help them make a successful start in their new position.

In the year of their arrival, they are also invited to take part in an "Induction Day" in order to better understand the interactions between the Bank's business lines and to meet their peers.

As an eco-responsible bank, Crédit Agricole CIB also chose to digitalise pay slips which are now sent in



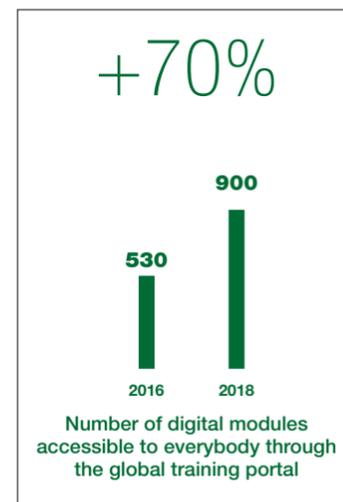
HectoR, the chatbot of the HR intranet

an electronic format in France, the United Kingdom, the Americas and Asia. To continue to reduce its paper consumption, other HR documents were also dematerialised: contract amendments, forms, letters concerning compensation...

Furthermore, to make the search for information easier, the new HR intranet in France now has a chatbot called HectoR. HectoR answers employees' questions on holidays, absences and tax deducted at source. In 2018, the Human Resources department experimented this technology with Crédit Agricole CIB's innovation team, to make it available to other business lines.

## Improved career management

Innovation and digital technologies also enable new training and career development solutions. A global portal now proposes many digital training modules accessible to everybody throughout the year. Its offer was considerably improved since it was launched, and in 2018 it provides more than 900 modules in the fields of banking, finance, personal development and office automation. With its



# 900

E-LEARNING  
MODULES  
IN 2018

flexible format, this digital approach allows each employee to progress at their own pace, complementing the classroom training offered.

Annual appraisal and goal setting campaigns are an excellent opportunity to review individual and collective performance, achievements and development needs. An online application guides both members of staff and managers through the various interviews. The same applies to the other appraisal systems that offer practical feedback from those who work with the member of staff on a daily basis.

Besides mobility committees, résumé workshops and individual coaching, Crédit Agricole CIB also uses digital tools to promote a more transversal approach and increase the employability of its staff.

MyJobs, a dedicated portal, lists all the jobs available within the Corporate and Investment Bank and within Crédit Agricole Group.

In 2018, Crédit Agricole CIB also deployed a digital path created in partnership with a start-up called Jobmaker. The 7-step approach offers video advice and practical exercises to build a professional project. The Bank is also experimenting the use of big data and artificial intelligence to identify possible mobility paths based on employees' skills.



## Technology for a better work-life balance

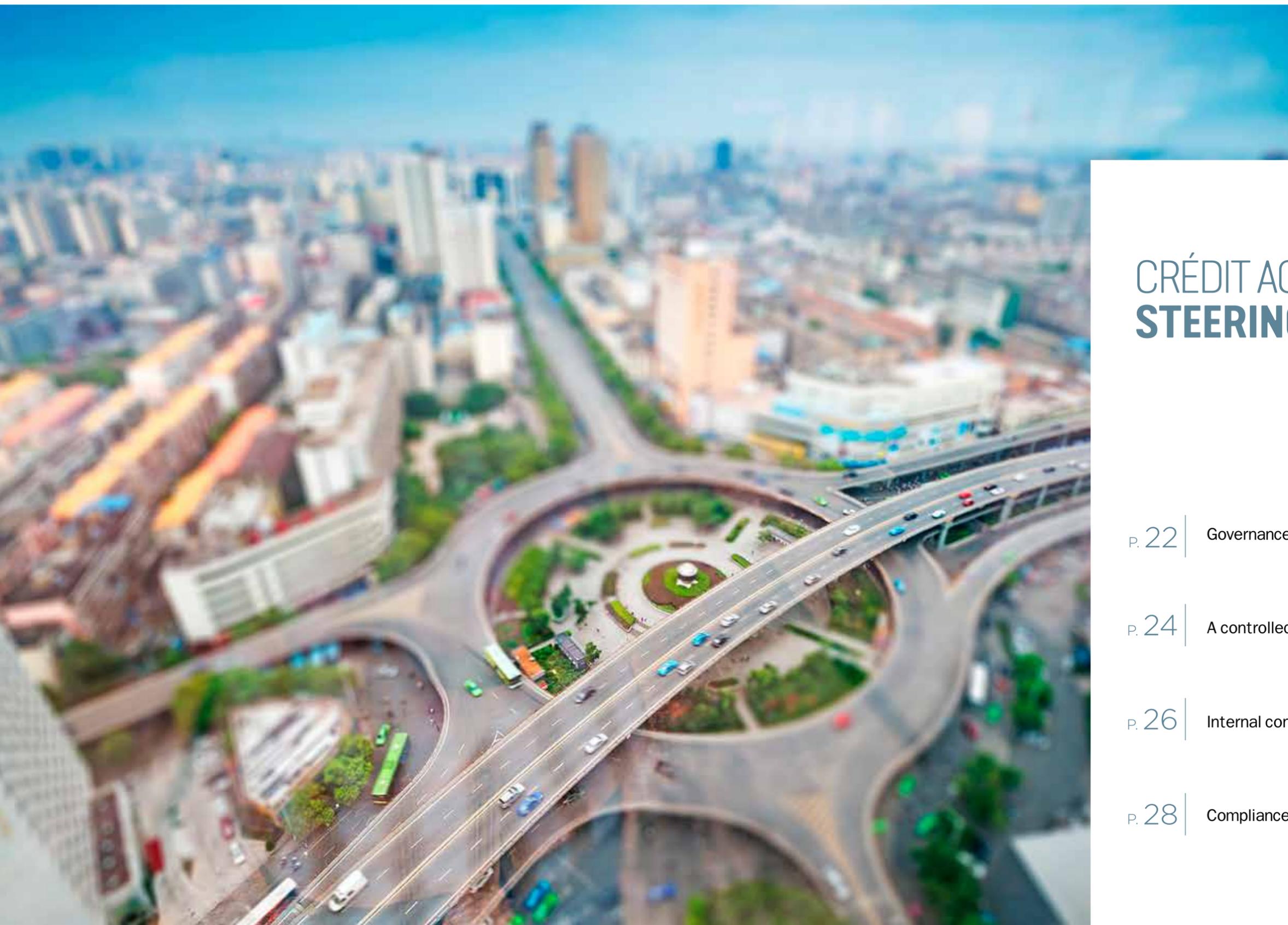
With the well-being of its employees in mind, Crédit Agricole CIB introduced teleworking in 2016, trying to make it available to as many people as possible while taking business constraints into account. This new flexibility increases employees' autonomy, giving them greater control over their organisation. It also encourages the digitalisation of documents and reduces the use of paper.

In 2018, nearly 850 employees in France work from home one day a week, two days in some cases. Discussions are underway to deploy this new system more globally in the international network. In London, teleworking was introduced in 2018. It will also soon be introduced in New York.

« Digitalisation is a challenge but also an opportunity for our department. The new digital tools are huge efficiency and agility levers for both employees and HR teams. »

Martine BOUTINET  
Head of Human Resources

For more details, read our  
Registration Document, Chapter 2.5



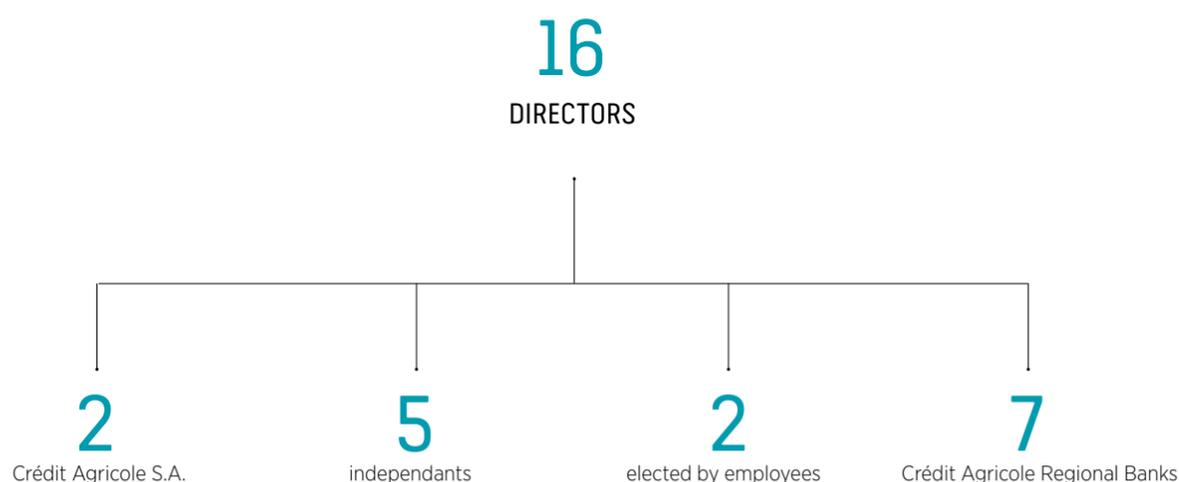
# 3

## CRÉDIT AGRICOLE CIB **STEERING**

- P. 22 | Governance
- P. 24 | A controlled risk policy
- P. 26 | Internal control
- P. 28 | Compliance, a major challenge for all

# GOVERNANCE

## THE BOARD OF DIRECTORS



### THE BOARD OF DIRECTORS (AS OF DECEMBER 31<sup>ST</sup>, 2018)

<b>Philippe BRASSAC</b> Chairman	<b>Claire DORLAND CLAUZEL</b> Director and Chairman of the Appointments Committee	<b>Catherine POURRE</b> Director
<b>Jean de Dieu BATINA</b> Director	<b>Olivier GAVALDA</b> Director	<b>François THIBAUT</b> Director
<b>Jacques BOYER</b> Director	<b>Nicole GOURMELON</b> Director	<b>Odet TRIQUET</b> Director
<b>Audrey CONTAUT</b> Director	<b>Françoise GRI</b> Director	<b>Jean-Pierre VAUZANGES</b> Director
<b>Bertrand CORBEAU</b> Director	<b>Luc JEANNEAU</b> Director	<b>Paul CARITE</b> Non-voting member
<b>Marie-Claire DAVEU</b> Director and Chairman of the Risks Committee	<b>Anne-Laure NOAT</b> Director, Chairman of the Audit Committee and Chairman of the Compensation Committee	<b>Jacques DUCERF</b> Non-voting member

## THE EXECUTIVE COMMITTEE AND THE MANAGEMENT COMMITTEE

### AS OF FEBRUARY 11<sup>TH</sup>, 2019

Executive Management <b>Jacques RIPOLL*</b> <b>François MARION*</b>	Senior Country Officer United Kingdom <b>Daniel PUYO</b>	Global IT <b>Frédéric COUDREAU</b>
Deputy General Managers <b>Jean-Francois BALAY*</b> <b>Isabelle GIROLAMI*</b>	Corporate Secretary & Communication <b>Bertrand HUGONET</b>	Global Markets Division <b>Pierre GAY</b>
Senior Coverage & Investment Banking Officer <b>Régis MONFRONT</b>	Debt Optimisation & Distribution <b>Jamie MABILAT</b>	Human Resources <b>Martine BOUTINET</b>
Senior Regional Officer Americas <b>Marc-André POIRIER</b>	Debt restructuring & Advisory Services <b>Julian HARRIS</b>	Inspection générale <b>Arnaud CHUPIN</b>
Senior Regional Officer Asia-Pacific <b>Michel ROY</b>	Finance <b>Olivier BELORGEY*</b>	International Trade & Transaction Banking <b>Laurent CHENAIN</b>
Senior Regional Officer Middle-East / Africa <b>Thierry SIMON</b>	Global Compliance <b>Eric CHEVRE</b>	Legal <b>Bruno FONTAINE</b>
Senior Country Officer Germany <b>Frank SCHÖNHERR</b>	Global Coverage & Investment Banking <b>Didier GAFFINEL*</b>	Operations & Country COOs <b>Eric LECHAUDEL</b>
Senior Country Officer Italy <b>Ivana BONNET</b>	Global Investment Banking <b>Hélène COMBE-GUILLEMET</b>	Risk & Permanent Control <b>Alexandra BOLESLAWSKI *</b>
		Structured Finance <b>Jacques de VILLAINES</b>

\*Also member of the Executive Committee

For more details, read our Registration Document Chapter 3

#### WHO SITS ON THE BOARD?

- 16 directors with voting rights and 2 non-voting advisory members
- The representative of the Works Council
- Executive Management
- The Board's secretary
- The Statutory Auditors
- The head of Risks and Permanent Control
- The Chief Financial Officer
- The head of Corporate Governance
- Guest participants

Or more than 30 people altogether. The Board meets at least six times a year.

#### WHO ARE THEY?

43% 57%



women



men

AVERAGE AGE

57.7 YEARS

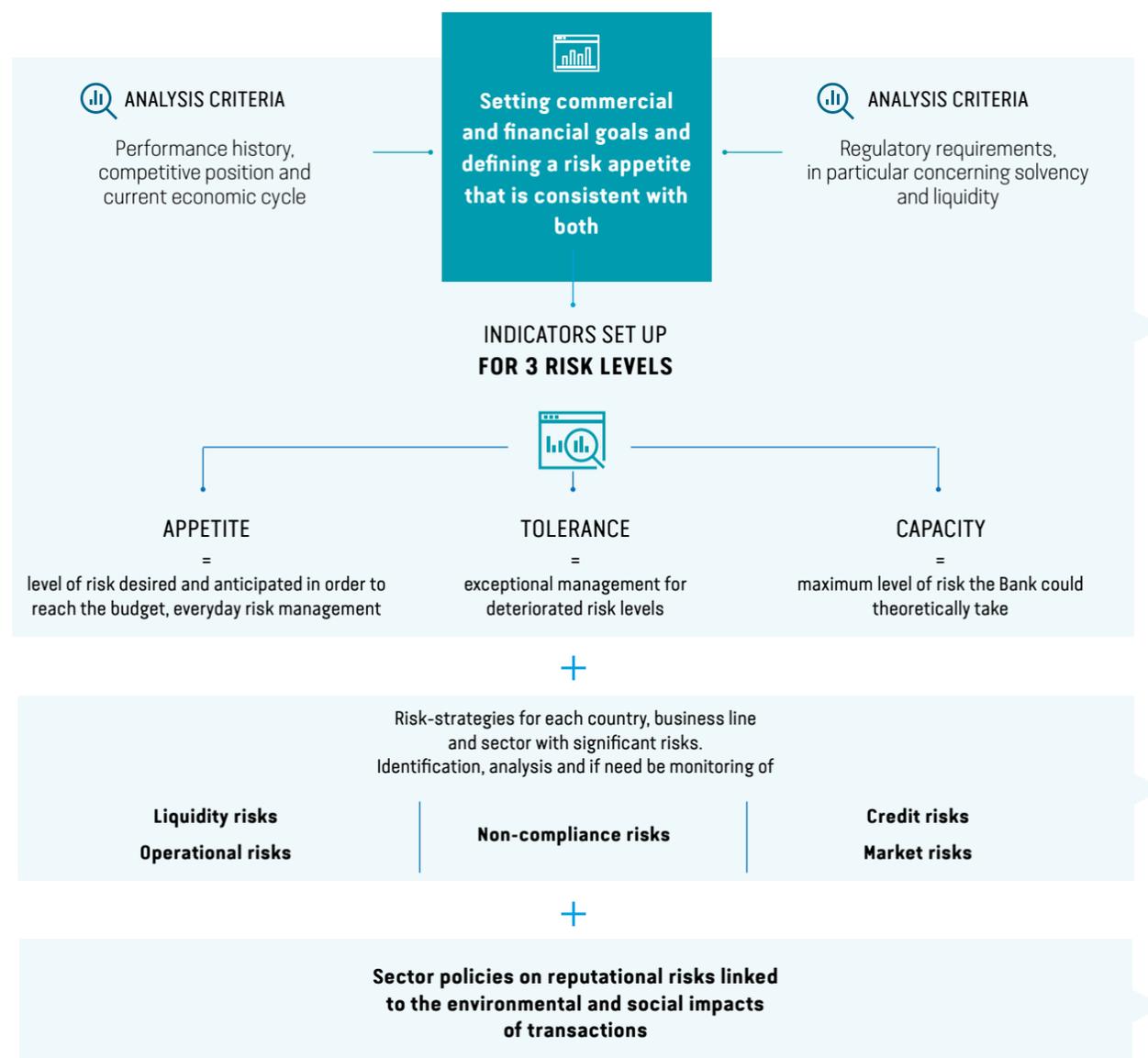
#### THE COMMITTEES

Created by the Board of Directors, **four committees (risks, audit, compensation and appointments)** assist the Board in its missions and in preparing proceedings.

Each committee is chaired by an independent director and is composed of 3 to 6 members, mostly independent, chosen among the directors.

# A CONTROLLED RISK POLICY

Crédit Agricole CIB has reduced its risk appetite, in particular by discontinuing or reducing some of its market activities, drawing lessons from the 2008 crisis. The main strategic axes and the monitoring and control systems were redefined in order to keep the risk profile under control, and to ensure it is adapted to reasonable commercial ambitions and to a considerably more rigorous regulatory environment.



## Focus

### EARLY DETECTION

In 2017, Crédit Agricole CIB created an Early Detection team within the Risk and Permanent Control department. Its role is to detect the early signs of a deterioration in the situation of the Bank's clients, thereby ensuring a proactive management of our risks.

This team develops tools using big data techniques. Data science widens the possibilities of analysis and creates new approaches in defining advanced risk indicators. According to the client's profile and the intensity of the signals, various actions can be taken. A number of individual hedging initiatives suggested by Early Detection have already been implemented, some with the approval of the credit committee.



General Management presents the risk appetite and budget for the following year to the Board of Directors.

The Board acknowledges the budget and formally approves the risk appetite.

The Board checks at least every quarter that the Bank's risk profile remains in line with its risk appetite.



Periodically updated and approved by the Strategy and Portfolio Committee, by the Group Risk Committee for the most significant risk-strategies, and then by the Board of Directors.



Approved by the Strategy and Portfolio Committee then by the Board of Directors.

For more details, read our Registration Document, Chapter 5

## MARKET RISKS

Market risks are the risks of potential loss linked to the Bank's market positions and arising from changes in various market factors. For Crédit Agricole CIB, there are several relevant market risks: changes in interest rates, changes in share prices, credit quality deterioration, changes in exchange rates and price volatility.

Since the 2007-2008 and 2011 financial crises, strategic plans have refocused market activities on products and services that meet the needs of our clients or help us fulfill our role as market maker in certain segments and market instruments.

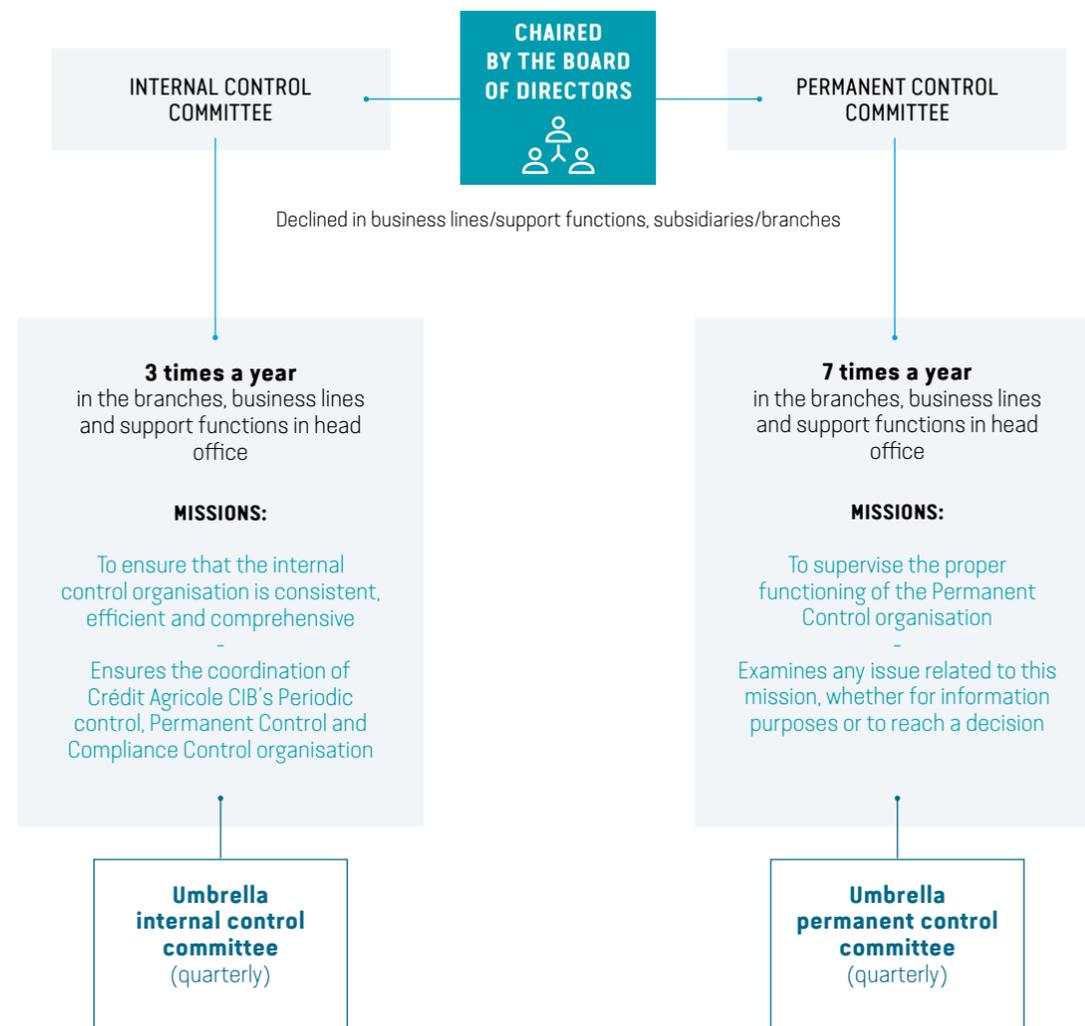
Crédit Agricole CIB defines its appetite for market risks with two key indicators: Value-at-Risk (VaR), which defines a maximum one-day loss within a 99% confidence interval, and "extreme adverse stress", which measures the impact of fairly unlikely market shocks that would have a very negative impact if ever they occurred.

On 31<sup>st</sup> December 2018, these indicators were below the Bank's tolerated level, with a VaR of 4.5 million euros and an extreme adverse stress of 364.5 million euros.

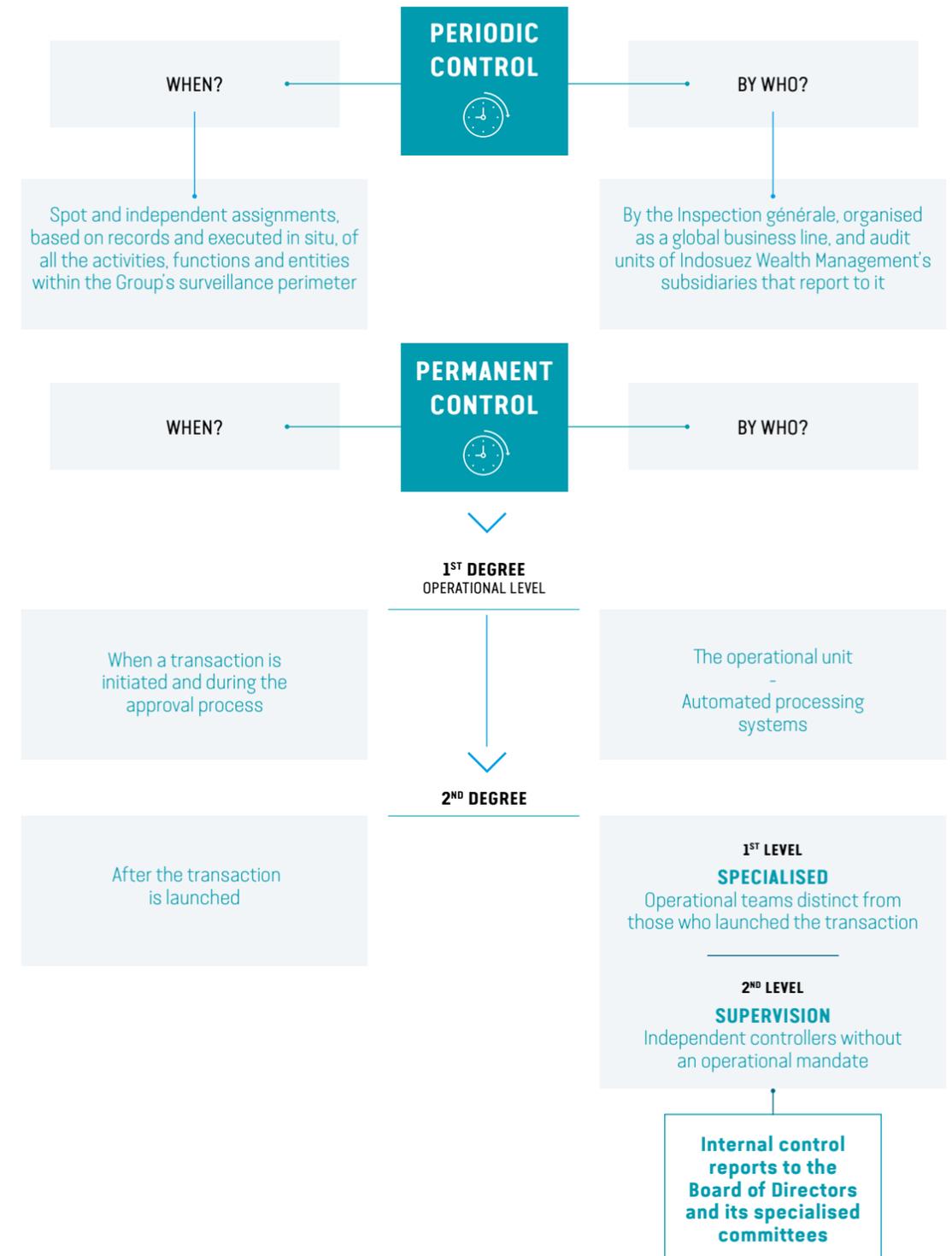
# INTERNAL CONTROL

This term covers all the systems set up within the Bank to better control all its activities and risks whatever their nature and thus to ensure the regularity, security and efficiency of its operations. In this normative environment these systems provide many means of evaluation – tools and reporting documents – to the Board of Directors, to general management and to management. It is their responsibility to measure the quality and adequacy of internal control.

## THE AUTHORITIES OF CONTROL



## STEERING



For more details, read our Registration Document, Chapter 5.2.3

# COMPLIANCE A MAJOR CHALLENGE FOR ALL

**In an increasingly stringent regulatory environment, compliance is a crucial challenge for banks, and in particular for corporate and investment banks. In this context, regulators and Crédit Agricole CIB are devoting more attention to compliance activities.**

Since 2015, Crédit Agricole CIB has implemented numerous initiatives to foster a culture of compliance among its employees. The main initiatives launched to strengthen this culture are the drafting of a Code of conduct, including compliance related behaviour into evaluation criteria, and celebrating the best compliance projects in France and abroad.

## Improving the Code of conduct

To promote its values and guide its behaviour in a changing and increasingly demanding environment, Crédit Agricole CIB introduced in 2015 a Code of conduct that revolves around seven key principles that guide its conduct and its relations with its internal and external partners. In 2018 the Bank broadened this framework to cover all the themes of Crédit Agricole Group's Ethical Charter (human rights and fundamental social rights, promoting ethnic and gender diversity, taking disabilities into account, respecting personal data), and added a guide on the fight against corruption and a Charter on behaviour at work. In a further effort to promote a compliance culture within the Bank, all members of staff are now evaluated according to the seven prin-

ciples of the Code of conduct during their individual evaluation interview.

## Strengthening the anti-corruption framework

For several years, Crédit Agricole CIB has deployed a dedicated anti-corruption framework and obtained two certifications, one in 2016 the other in 2017. These certifications recognised the quality of its anti-corruption programme. The ISO 37001 standard certifies that corruption risks were properly identified and analysed and that the programme is designed to contain these risks by following the best international practices.

The Sapin II law imposes stronger anti-corruption measures. It applies to the Bank's entire organisation, both in France and abroad, and relies above all on employees' ethical behaviour, on the ways to protect them from being compromised and on shielding their whistle-blowing duties.

In 2018 the Bank identified, prioritised and implemented initiatives to reinforce its anti-corruption framework in line with the new requirements of the Sapin II law.

The mandatory training of employees through e-learning, the implementation of an Anti-corruption Code and the deployment of a tool for whist-



## AN ANTI-CORRUPTION CODE OF CONDUCT

In accordance with the provisions of the Sapin II law, Crédit Agricole CIB introduced an Anti-corruption Code of conduct that complements the anti-corruption framework and the mandatory training courses introduced at the end of 2018.

Its rules apply to all Crédit Agricole CIB's directors, managers and employees whatever their situation and function. The commitment, accountability and support of everyone is required to follow these rules and preserve the Group's integrity. It is all part of a zero tolerance policy concerning any failure to comply with professional ethics and any violation of laws and regulations.

le-blowers are the first achievements that will bring everyone to the required standards.

## Preventing risks through training

To help all employees understand compliance issues, Crédit Agricole CIB's Compliance department has set up a training programme.

In France, this programme relies on a basic foundation of general training sessions aimed at all members of staff, and more specialised courses aimed at employees who are the most exposed to compliance risks in certain areas or who perform specific functions. These courses are regularly reviewed to adapt their content to regulatory changes and their format to new technical possibilities and training practices. In the international network, the entities complete this programme with additional courses according to local regulatory requirements.

## Celebrating initiatives that strengthen compliance

Since 2016, Crédit Agricole CIB organises each year an internal event called the "Compliance Awards" ceremony, a unique opportunity to praise

the achievements, initiatives or projects that have strengthened or will strengthen compliance and the protection of the Bank and its clients.

## THE COMPLIANCE TRAINING PROGRAMME AVAILABLE IN FRANCE

**18**  
e-learning courses

**8** general courses      **10** specialised courses

Covering all issues: the fight against money laundering and terrorism financing, international sanctions, external fraud prevention, client protection, the fight against corruption, conflicts of interest, etc.

**14**  
new modules rolled out in 2017 and 2018

## Data protection

Data protection and its proper use in the best interests of clients, the Bank, its employees and partners have always been a major concern for Crédit Agricole CIB. In 2017, Crédit Agricole Group introduced the "Use of personal data" charter. The following year it adapted its framework in France and abroad, in line with the General Data Protection Regulation that came into force in May 2018. Crédit Agricole CIB also rolled out its NSU framework (New Solutions and new Uses) in France. This system proactively manages the risks linked to the implementation of new solutions and new uses of data. It provides all the business lines and support functions with a secure framework that will support digital transformation, innovation and the use of new technologies.

## OFAC SANCTIONS LIFTED

In October 2015, Crédit Agricole CIB entered into two deferred prosecution agreements with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), which investigated certain US dollar transactions handled by the Bank between 2003 and 2008, subject to US economic sanctions and certain New York State laws.

These agreements ended on October 19<sup>th</sup> 2018, marking the end of the criminal part of the OFAC File. This is a real success for the Bank's Compliance teams and for all the members of staff who have helped to strengthen our controls.

For more details, read our Registration Document, Chapter 2.2

# GLOSSARY

## #B

### Blockchain

Digital technology used to store and digitalise transactions and data in a secure way.

## #C

### Climate Principles

The Climate Principles Financial Institutions (CPFIs) are working to embed an understanding of climate change, and the solutions to it, into their research, asset management, retail banking, insurance and reinsurance, corporate banking, investment banking and markets, and project finance businesses.

As an early signatory of the Equator Principles, the Bank is one of the leading members of the Climate Principles with several other international financial institutions.

### COP – Conference Of the Parties

In 1992, during the Rio de Janeiro Earth Summit, the UN created a framework of action to fight against global warming: the UNFCCC (United Nations framework Convention on Climate Change). This convention groups almost all the countries in the world, called “Parties”. Their representatives meet once a year since 1995 during the COPs (Conference Of the Parties).

### CSR - Corporate Social Responsibility

Taking into account the need for each company to integrate social and environmental considerations in its strategy and to continuously improve its practices in these areas. CSR covers the company's responsibility and its accountability.

## #D

### Data science

Data science is an interdisciplinary field of scientific methods, processes, algorithms and systems to extract knowledge or insights from data in various forms. In its most advanced form, data science techniques allow to shift from explaining what happened to predicting and prescribing.

## #E

### Equator Principles

By voluntarily signing the Equator Principles a bank makes the commitment to take into consideration a certain number of social and environmental evaluation criteria in selecting the projects it finances. The Equator Principles can be taken as an application of CSR to finance. It is a list of 10 principles that commit the signatory banks to choose their investments according to social and environmental criteria.

## #G

### General Data Protection Regulation - GDPR

European regulation, not specific to banks, which came into force in May 2018. GDPR aims in particular to strengthen individuals' rights and to make those processing personal data more accountable.

### Green Bond

This “environmental” bond is issued by a qualified organism (company, local authority or international organisation). It is meant to finance a project or activity with an environmental goal and/or with a sustainable design.

### Green Bond Principles

Published in January 2014, and currently supported by more than 52 banks, 22 issuers and 21 investors active in the Green Bond market, the Green Bond Principles provide issuers with guidelines on the components required to issue a Green Bond, help investors obtain the information required to assess the environmental impact of their investments and facilitate the structuring of transactions for arranging banks via the promotion of market standards.

## #I

### Index - Commitment and Recommendation Index (CRI)

Since 2014 the CRI measures the commitment of all Crédit Agricole Group's members of staff.

## #K

### Know Your Customer - KYC

Name given to the process of verifying the identity of a bank's clients. The term also refers to the banking regulations that govern these activities.

## #M

### MiFID II

European directive on the markets for financial instruments.

## #O

### OFAC

#### (Office Of Foreign Assets Control)

Financial control body under the authority of the US department of the Treasury.

## #P

### Private Equity funds

Private Equity funds invest in private or non-listed companies to encourage their growth and development. They can invest in the early stages of a company's development (typical activity of risk capital investors or business angels) or at any other stage of their growth cycle.

### Private placement

Medium or long-term financing transaction between a company and a limited number of institutional investors, based on an ad hoc documentation negotiated between the borrower and the investors.

## #R

### Risk

In finance, the notion of risk is very similar to the notion of uncertainty. There are economic risks (policy, natural and inflation risks etc.) that threaten flows linked to securities and are part of the economic world, and financial risks (liquidity, foreign exchange, interest rates etc.) which are not directly linked to these flows and are specific to the financial sphere.

### Risk appetite

Risk appetite is the level of risk, by nature and by business line, that the Bank is ready to take considering its strategic goals. It is expressed both through quantitative and qualitative criteria. The risk appetite exercise is one of the strategic steering tools available to the Group's management bodies.

## #S

### SAPIN II (law)

Law on the fight against corruption.

## #V

### VaR (Value-At-Risk)

VaR is a synthetic indicator that monitors on a daily basis the market risks taken by the Bank, in particular in its trading activities (VaR of 99% in compliance with the internal regulatory model). It represents the largest risk obtained after eliminating the 1% least favourable events over one year.

# MORE INFORMATION

## PRINTED MATERIALS



Registration Document 2018

## WEB PAGES



[ca-cib.com/ar2018](http://ca-cib.com/ar2018)  
Introducing Crédit Agricole CIB in 2018

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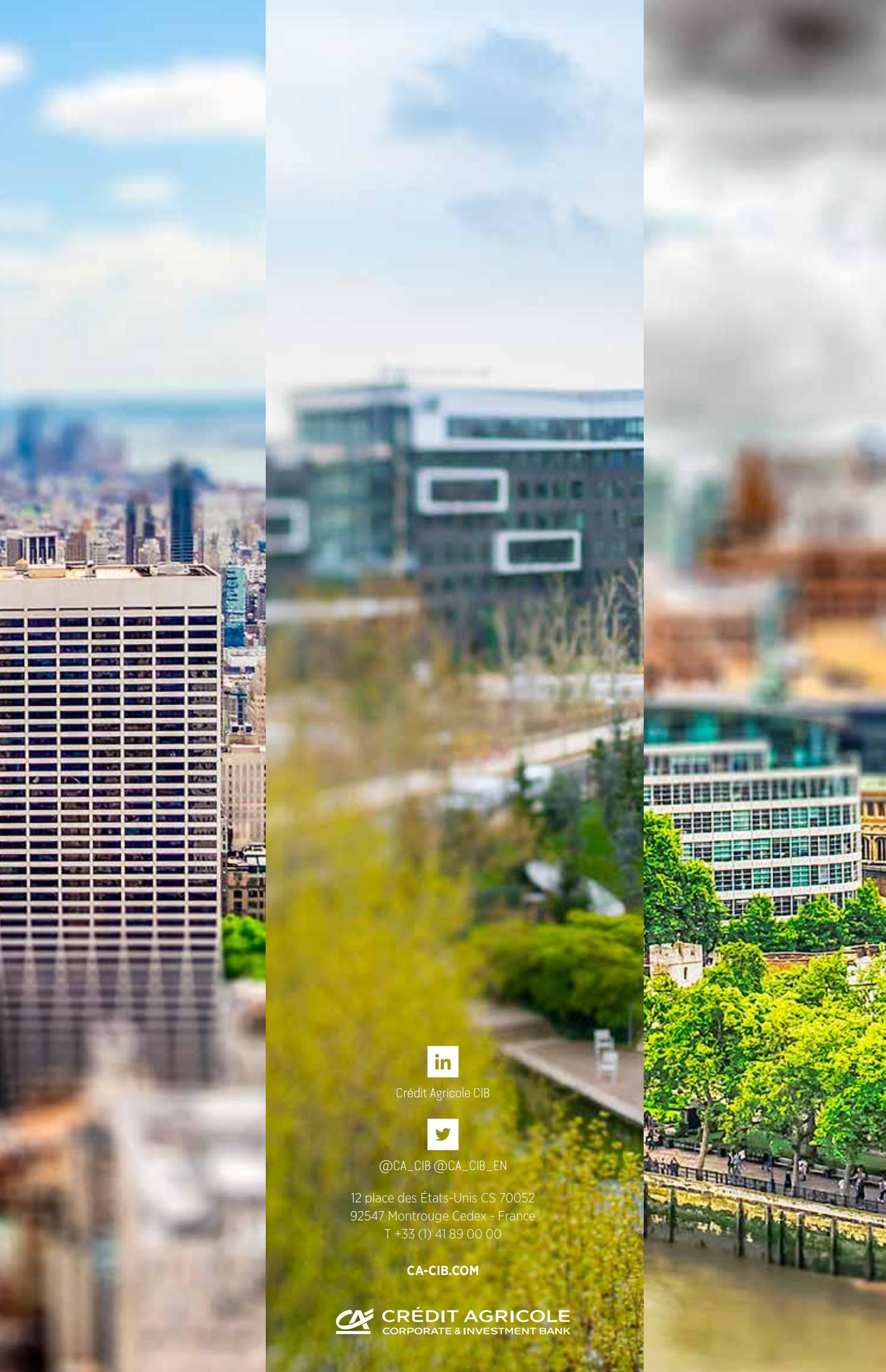
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CORPORATE & INVESTMENT BANK