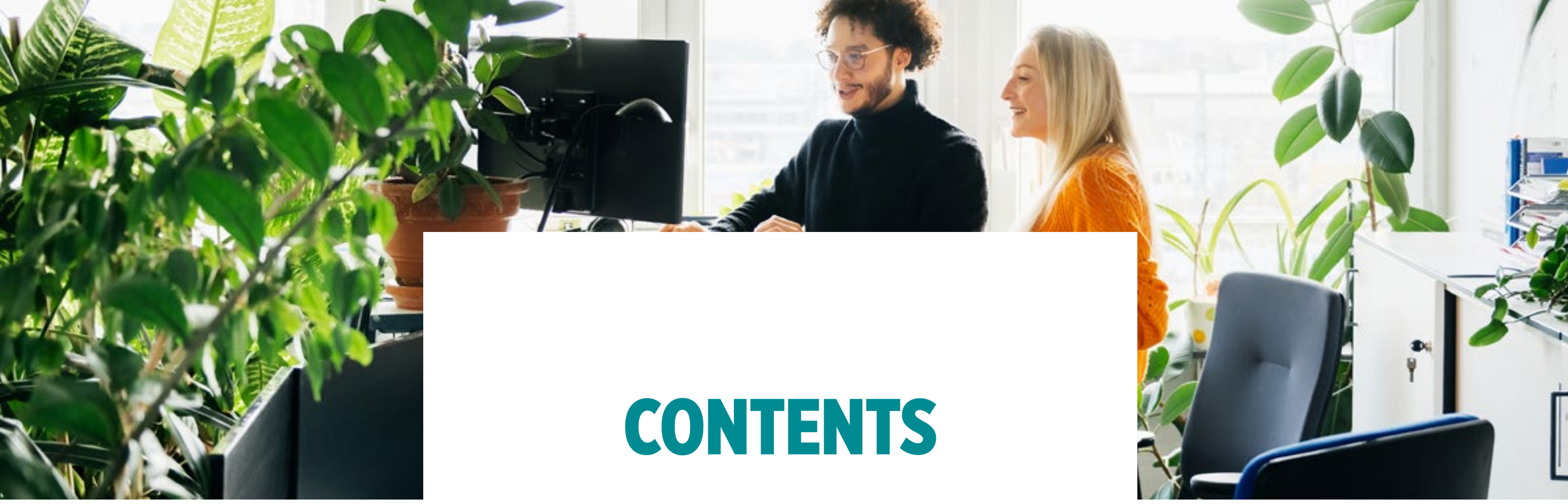
UNIVERSAL REGISTRATION DOCUMENT 2021

CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK



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UNIVERSAL REGISTRATION DOCUMENT 2021

The Universal Registration Document has been filed on 25th March 2022 with AMF, as competent authority under Regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer of securities to the public or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer.

Rankings and key figures

#1

European Union retail bank based on number of retail banking customers

Private employer in France[1]

Financer of the European economy[2]

Insurer in France based on revenues[3]

European asset manager[4]

53 million
CUSTOMERS

10th
by balance sheet size[5]

47 Countries

9,500 branches
including 7,400 in France (Regional Banks and LCL)

(1) Source: Challenge 2021, Crédit Agricole Group scope.
(2) Internal source: ECO 31 December 2021.
(3) Source: L'Argus de l'Assurance 2021.
(4) Source: IPE "Top 500 Asset Managers" June 2021.
(5) Source: The Banker 2021.

CRÉDIT AGRICOLE GROUP

Crédit Agricole Group includes Crédit Agricole S.A., as well as all of the Regional Banks and Local Banks and their subsidiaries.

REGIONAL BANKS

11.2million

MUTUAL SHAREHOLDERS
who hold mutual shares in

2,406

LOCAL BANKS

39

REGIONAL BANKS

jointly holding the majority of Crédit Agricole S.A.'s share capital *through* SAS Rue la Boétie[2]

100%

≃ 25%

Political link

Sacam Mutualisation

Fédération Nationale du Crédit Agricole (FNCA)

HOLDING
55.5%

FLOAT

29.3%
INSTITUTIONAL INVESTORS

7.3%
INDIVIDUAL SHAREHOLDERS

5.1%
EMPLOYEE SHARE OWNERSHIP PLANS (ESOPS)

2.8%[1]
TREASURY SHARES

HOLDING
44.5%

CRÉDIT AGRICOLE S.A.

ASSET GATHERING AND INSURANCE
INDOSUEZ WEALTH MANAGEMENT
CRÉDIT AGRICOLE ASSURANCES
Amundi

RETAIL BANKING
CRÉDIT AGRICOLE Pologne, Ukraine, Egypte, Serbie
مصرف المغرب CRÉDIT DU MAROC
CRÉDIT AGRICOLE Italie
LCL

SPECIALISED FINANCIAL SERVICES
CRÉDIT AGRICOLE CONSUMER FINANCE
CRÉDIT AGRICOLE LEASING & FACTORING

LARGE CUSTOMERS
CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
caceis INVESTOR SERVICES

SPECIALISED ACTIVITIES AND SUBSIDIARIES
CRÉDIT AGRICOLE GROUP INFRASTRUCTURE PLATFORM
CRÉDIT AGRICOLE CAPITAL INVESTISSEMENT & FINANCE
CRÉDIT AGRICOLE PAYMENT SERVICES
CRÉDIT AGRICOLE IMMOBILIER
uni_médias

(1) Treasury shares, including buybacks of shares in 2021 that will be cancelled in 2022. Once 87,673,241 shares are cancelled, the treasury shares will be non significant and SAS Rue de la Boétie's holding will account for about 57%.
(2) The Regional Bank of Corsica, 99.9% owned by Crédit Agricole S.A., is a shareholder of Sacam Mutualisation.

OUR BUSINESS MODEL: FACILITATING OUR CUSTOMERS' BUSINESS

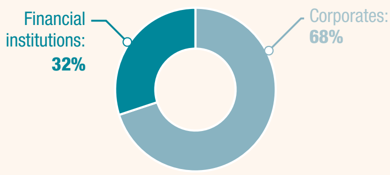
CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

OUR STRATEGIC CHOICES

A CORPORATE AND INVESTMENT BANK...

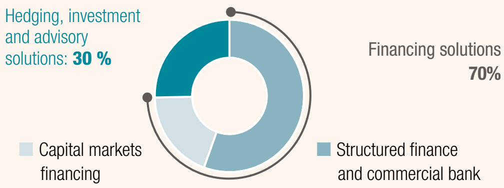
GENERATING MORE REVENUES from corporates than financial institutions,…

Distribution of 2021 commercial revenues by client segment

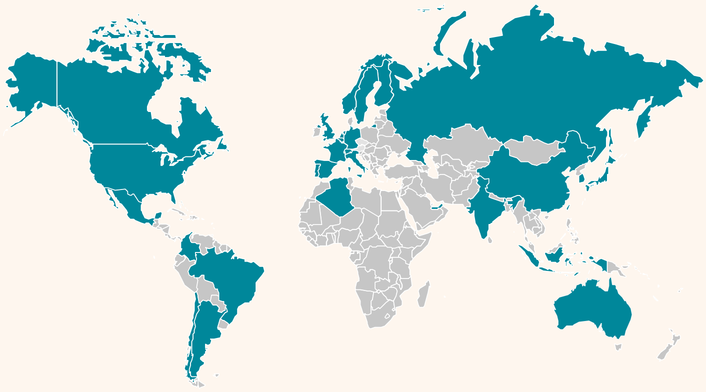


…with more FINANCING ACTIVITIES than pure Capital Markets ones…

Distribution of 2021 commercial revenues by solution type



…and which has DEVELOPED a strong & coordinated INTERNATIONAL NETWORK



Wide international presence with more than...

30 markets covered

A WEALTH MANAGEMENT

... PROPOSING A TAILOR-MADE APPROACH that enables each of our customers to manage, protect and transfer their wealth as closely as possible to their aspirations

€135 Bn assets under management in wealth management

OUR RESOURCES

AN AFFILIATION WITH A STRONG BANKING GROUP

11.7% Crédit Agricole CIB's phased-in CET1

€26.4 Bn in Crédit Agricole CIB equity

RECOGNISED EXPERTISE

- Historical franchise in value added financing activities: shipping, infrastructure, real estate,…
- Real-asset financing
- Euro bond issuances
- Leader in securitization
- Green and social bonds
- Syndicated loans
- Leader positions in distribution
- Advisory and discretionary management

STRONG VALUES

- Leader in sustainable finance activities and a desire for increasing commitment: strong CSR commitments
- Long-term support for our clients to finance the real economy
- Our employees: our key asset

A HIGHLY DIVERSE STAFF

12,003 including 3,063 in Wealth management

43.8% women

57% international

SATISFACTORY LONG-TERM RATINGS

S&P	Moody's	Fitch
A+	Aa3	AA-
Stable, 02/02/2022	Stable, 12/15/2021	Stable, 10/27/2021

OUR VALUE CREATION

OUR ROLE

- **Supporting** our clients' asset-backed financing projects
- **Meeting** their cash management and international business needs as well as those of Receivable & Supply chain finance solutions
- **Arranging** syndicated loans
- **Offering** risk hedging, financing and investment solutions involving the market or private investors
- **Advising** our clients in their balances sheet issues
- **Supporting** our clients in managing,structuring, protecting, and transferring their wealth

OUR AMBITIONS (2022 STRATEGIC AMBITION)

Strong ambitions aligned with the project Crédit Agricole Group:

- to be the reference bank for sustainable banking;
- to have an embedded digital and innovation strategy through an ambitious data plan;
- to put employees at the heart of the client strategy in line with the Group's DNA;
- to implement a realistic growth strategy with ambitious financial targets;
- to strenghten our advisory capacity in wealth structuring, asset allocation and discretionary management mandates to help our clients in building and transferring of their assets.

OUR ACHIEVEMENTS WITH OUR STAKEHOLDERS

CLIENTS

3,721 Clients
(in Corporate and Investment Banking)

2,138	1,583	€232 Bn
Corporate clients	Financial institution clients	in real-asset nancing

AWARDS

★ **Best Trade Finance Bank in Western Europe** (Global Trade Review)

★ **SRI Dealer of the Year** (MTN-I)

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

★ **Chinese Banks & Agencies Dealer of the Year** (MTN-I)

★ **Best arranger of Green & ESG-Linked Loans 2020** (Global Capital)

★ **Best Bank - CFM Indosuez in Monaco** (Global Finance)

EMPLOYEES

COMMITMENT AND RESPONSIBILITY
(in Corporate and Investment Banking)

88%	86%	77%
of employees are proud to work for Crédit Agricole CIB	recommend Crédit Agricole CIB as a good employer	feel that their work gives them a sense of personal accomplishment

208,577
HOURS OF TRAININGS in FRANCE in 2021

COMMUNITY-MINDED PHILANTHROPY

With the “Solidaires” programme, we financially support our employees who volunteer for organisations

ACTIVE POLICY FOR YOUNG PEOPLE AND WORK/STUDY PARTICIPANTS
(end of period)

299	51
work/study contracts	VIE

CRÉDIT AGRICOLE GROUP (1)

- **SOLID FINANCIAL RESULTS…**

€1,691 M	€5,913 M	€1,604 M
Net income group share	NBI	Contribution to CASA net income group share (30 %)

- **…AND A MODERATE RISK PROFILE**

Average VaR 2021 **€8 M**

- **STRONG GROUP SYNERGIES**

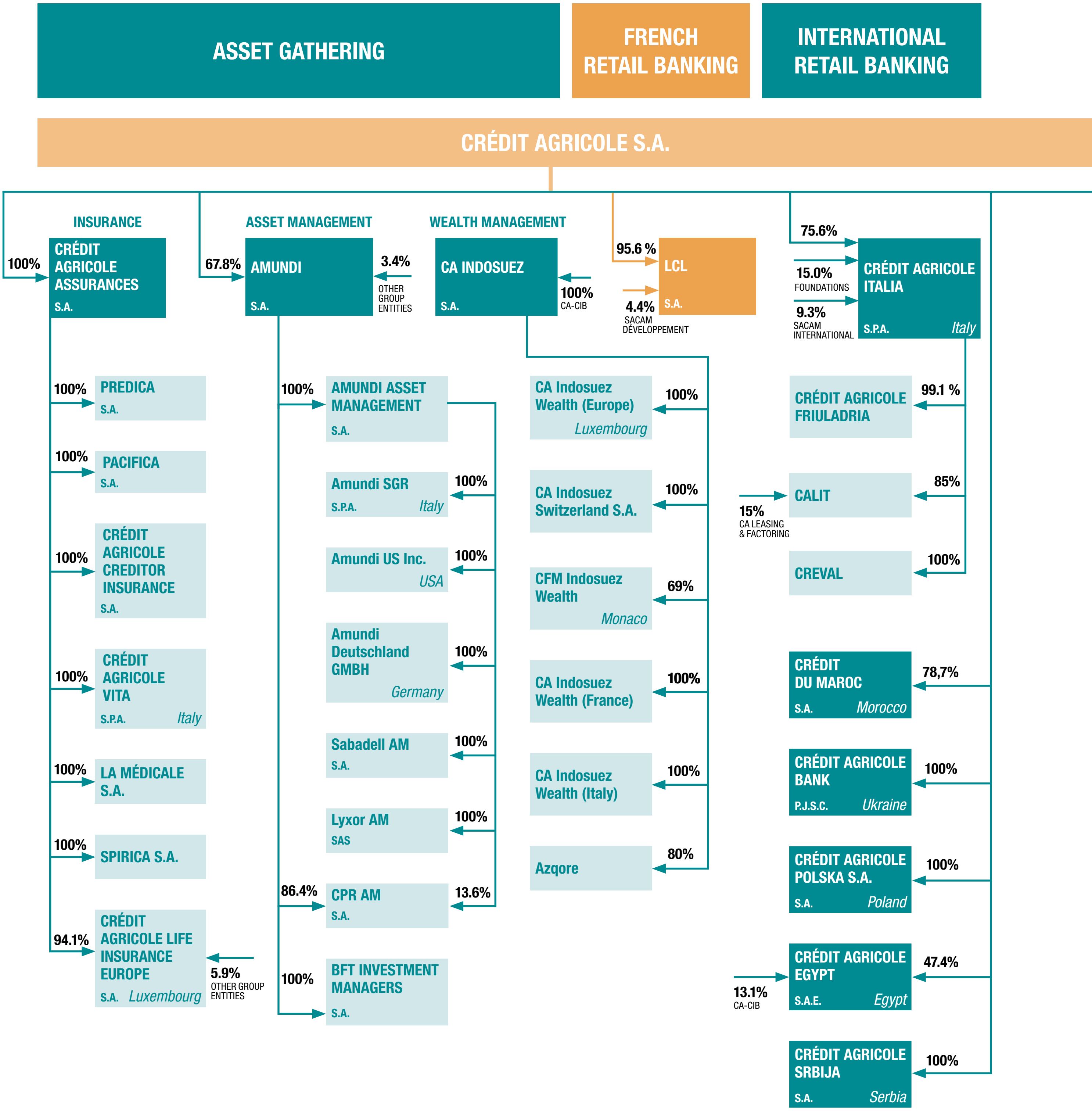
(1) Crédit Agricole CIB's contribution to Crédit Agricole S.A. Group's results.

CIVIL SOCIETY

- **MUTUAL ENRICHMENT WITH THE VILLAGE BY CA START-UPS**
- **4TH BOOKRUNNER ON GREEN SOCIAL AND SUSTAINABLE BONDS**
- **100% OF CORPORATE CLIENTS GIVEN A CSR SCORE**
- **AN INNOVATIVE APPROACH IN SERVICE TO OUR CUSTOMERS:** strengthening the customer's relationship and its relevance

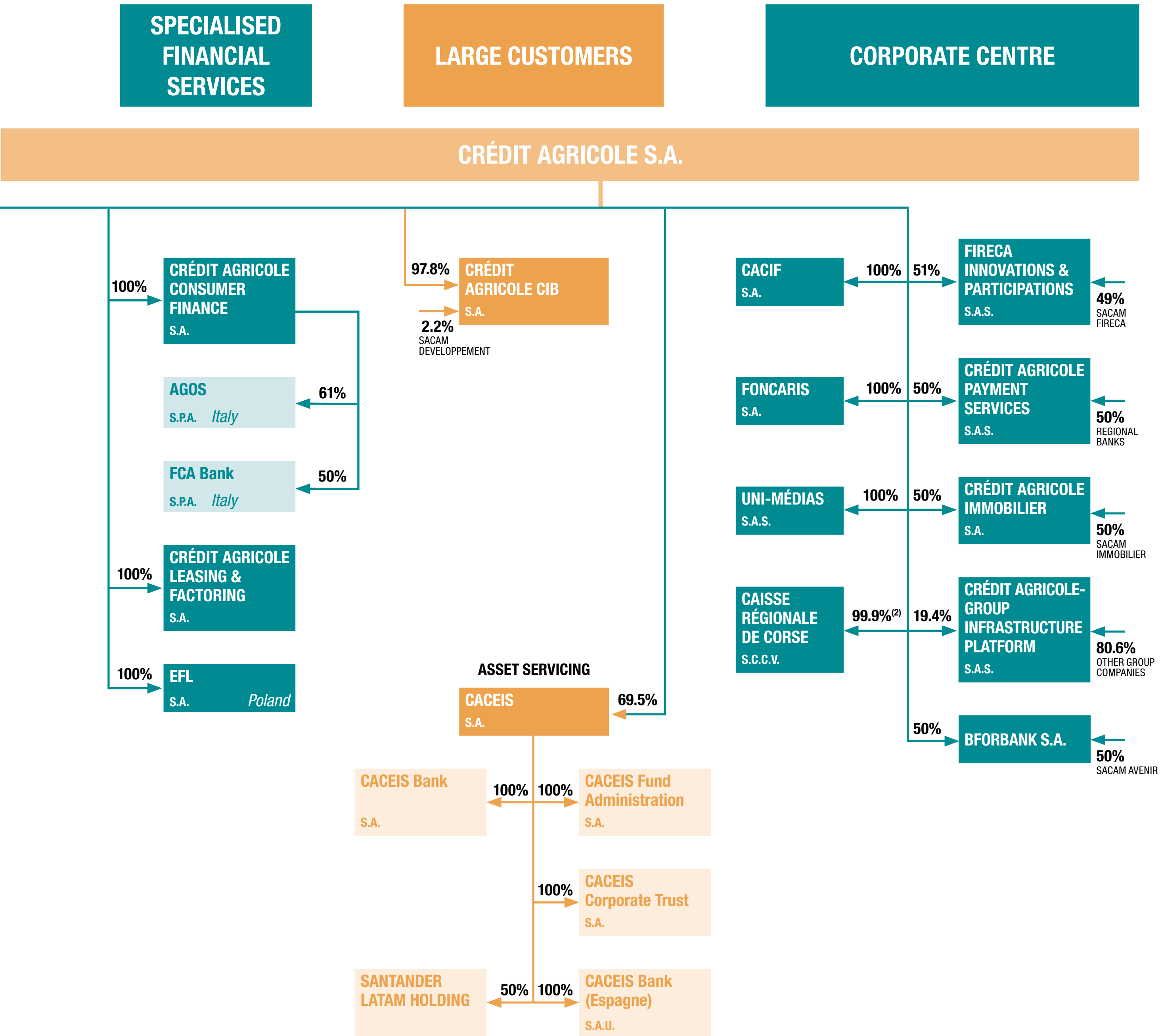
CRÉDIT AGRICOLE S.A.

% OF INTEREST[1]



(1) Direct percentage of interest held by CASA and its subsidiaries, excluding treasury shares.

AT 31 DECEMBER 2021



(2) % of control.

Financial transactions between Crédit Agricole S.A. and its subsidiaries are subject to regulated agreements, as the case may be mentionned in the statutory auditor's report.

Internal mechanisms of Crédit Agricole Group (in particular between Crédit agricole S.A. and the Regional Banks) are detailed in the paragraph "internal financing machanisms", in introduction of the financial consolidated statements.

MESSAGE from the Chairman and the Chief Executive Officer

Crédit Agricole Group's results for 2021 are good and we have reached the financial targets of our 2022 Medium Term Plan one year ahead of schedule. This situation is partly due to the economic environment, with a very low cost of risk stemming from massive State aid during the crisis. But this situation is above all structural, because with our powerful, diversified and adaptable model our revenues have increased very regularly for the past five years.

Our universal banking model allows us to provide all our clients with the expertise of an international group with a worldwide presence. Crédit Agricole CIB contributes to this goal by demonstrating once again this year that it is a trusted partner for the Group's clients.

Our Group project is clear and simple and aims to address environmental and societal challenges, as well as the transitions we need to face. This is why we have designed a real program plan around concrete commitments. Crédit Agricole CIB was one of the pioneers in this field. It was the first bank to announce a gradual withdrawal from the coal sector, the first bank to cease financing non-conventional fossil fuels and is clearly committed to its clients' energy transition.

> **Our Group project is clear and simple and aims to address environmental and societal challenges, as well as the transitions we need to face. This is why we have designed a real plan-programme around concrete commitments.**

Our dynamism and solidity are assets to face the uncertainties that lie ahead, characterized by a potential resumption of inflation due to the liquidity injected by public policies during the crisis. In addition to this inflationary uncertainty there are questions concerning a possible increase in the cost of risk that could follow the end of State aid.

The strongest uncertainty however is linked to the situation in Ukraine, and more generally in Europe as a whole. It might have considerable consequences for the security of the continent's energy supply and for the global energy market. Without abandoning our commitment to responsible finance focused on the indispensable energy transition, it is obvious that Crédit Agricole will adapt to this new context to serve its clients in accordance with the prevailing imperatives.

PHILIPPE BRASSAC

Chairman of Crédit Agricole CIB's Board of Directors
Crédit Agricole S.A. Chief Executive Officer

In 2021, in the context of the continuing health crisis, Crédit Agricole CIB delivered a strong performance. Its Net Income Group Share reached approximately EUR 1.7 billion generated by its global corporate and investment banking and private banking activities. This is the best result since the 2008 financial crisis.

The complementary nature of our businesses and locations demonstrated the relevance of our well-balanced model. The collective work of the entire value chain of our Bank, in contact with our clients, supporting the transactions carried out for them, or in the transverse functions, is the strength of our company and allowed us to maintain and even develop our franchises. Crédit Agricole CIB maintains its leading positions, remaining #1 in syndicated loans in France and #3 in EMEA with landmark transactions in every sector.

2022 begins in a particularly dramatic geopolitical environment. Year after year, month after month, we have demonstrated our ability to overcome crises by prioritising the protection of our employees and the high quality service we provide to our clients.

We will pursue this ambitious dynamic to meet the challenges that lie ahead. First of all the societal challenge: in response to the climate emergency, we will support our clients in their transition, particularly their energy transition, or help them start this transition if they have not yet prepared. Secondly, given the technological and digital challenges, we will speed up the transformation of our processes, tools and solutions. We will continue to move forward with our human project by changing the way we work, by extending the empowerment approach and by developing employability and training to support the transformation of our organisation while maintaining our identity and values.

> **Year after year, month after month, we have demonstrated our ability to overcome crises by prioritising the protection of our employees and the high quality service we provide to our clients. We will pursue this ambitious dynamic to meet the challenges that lie ahead.**

In a world that is changing faster than ever, in which crisis follows crisis, we can rely on the strength of our expertise and the robustness of our team spirit to continue to embody our mission. With a clear focus on a simple but essential idea: to be useful every day to our clients and to society.

JACQUES RIPOLL

Chief Executive Officer of Crédit Agricole CIB

PRESENTATION OF CRÉDIT AGRICOLE CIB

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Income statement highlights Summary

€ million	31.12.2021		31.12.2020		31.12.2019	
	Crédit Agricole CIB	Underlying CIB [1]	Crédit Agricole CIB	Underlying CIB [1]	Crédit Agricole CIB	Underlying CIB [1]
Net banking income	**5,913**	**5,109**	5,934	5,076	5,459	4,699
Gross operating income	**2,219**	**2,113**	2,435	2,265	2,037	2,009
Net income Group Share	**1,691**	**1,553**	1,341	1,224	1,553	1,498

[1] *Restated in NBI for loan hedges in Financing Activities and DVA impacts, FVA liquidity cost, and in 2021 for Secured lending in Capital Market Activities.*

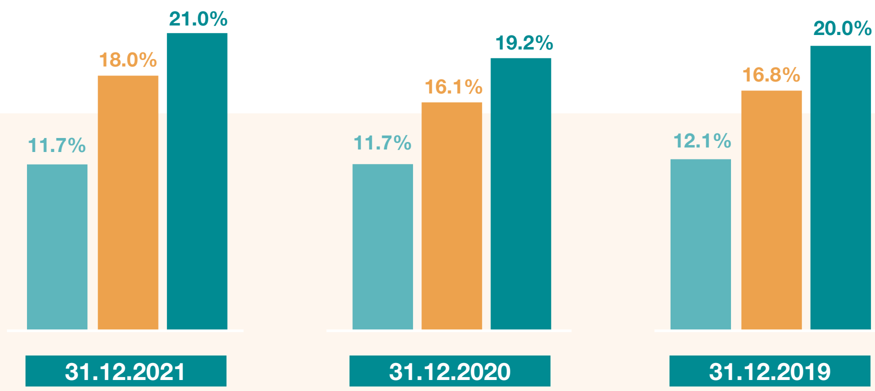
Balance sheet

€ billion	31.12.2021	31.12.2020	31.12.2019
Total assets	**599.7**	593.9	552.7
Gross loans to customers	**168.4**	144.7	146.1
Assets under management (in Wealth Management)	**134.6**	128.0	132.2

Financial structure

€ billion	31.12.2021	31.12.2020	31.12.2019
Shareholder's equity (including income)	**26.5**	22.6	22.0
Phased-in Tier one capital	**24.0**	20.0	20.2
Basel III risk-weighted assets	**133.5**	124.1	120.5

Solvency ratio



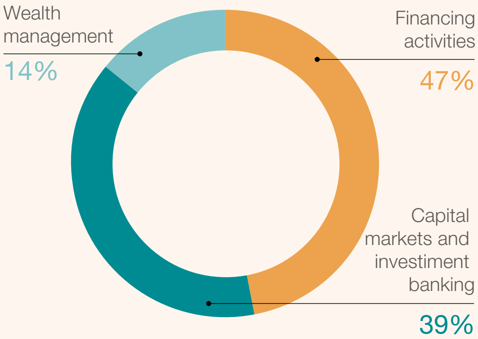
- Phased-in CET 1 ratio
- Phased-in Tier one solvency ratio
- Phased-in Overall solvency ratio

Ratings

	Short-term	Long-term	Last rating action
Moody's	Prime-1	Aa3 [stable outlook]	15 December 2021
Standard & Poor's	A-1	A+ [stable outlook]	02 February 2022
Fitch Ratings	F1+	AA- [stable outlook]	27 October 2021

Breakdown of net banking income[1]

31.12.2021



	31.12.2020	31.12.2019
Financing activities	43%	46%
Capital markets and investment banking	43%	39%
Wealth management	14%	15%

[1] *Restated in NBI for loan hedges in Financing Activities and DVA impacts, FVA liquidity cost, and in 2021 for Secured lending in Capital Market Activities.*

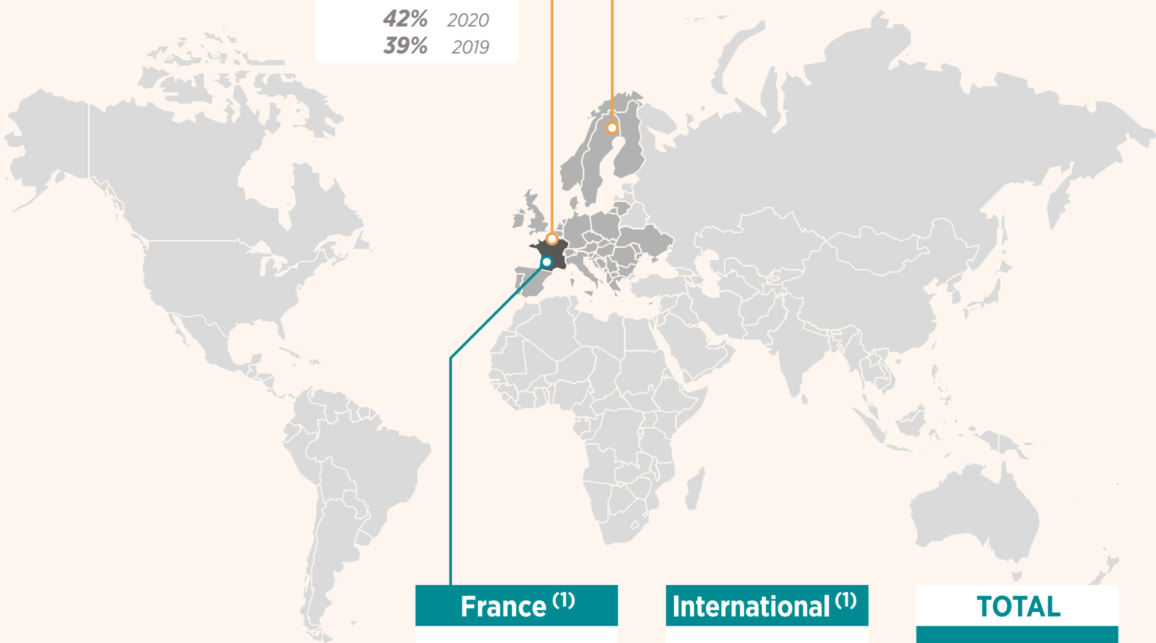
A global presence

Breakdown of net banking income By Geographical Area

France
41% 2021
42% 2020
39% 2019

Europe
30% 2021
27% 2020
28% 2019

International
29% 2021
31% 2020
34% 2019



Headcount at end of period Full-time equivalent

France (1)
5,176 2021
5,042 2020
4,938 2019

International (1)
6,828 2021
6,636 2020
6,586 2019

TOTAL
12,003 2021
11,678 2020
11,524 2019

(1) Wealth Management contributes overall to 3,063 in 2021, 3,074 in 2020 and 3,169 in 2019.

1. COMPANY HISTORY

1863
Creation of **Crédit Lyonnais**

1875
Creation of **Banque de l'Indochine**

1885
Creation of the **first local fund in Poligny,** Jura

1894
Law allowing creation of **the first "Sociétés de Crédit Agricole"**, later entitled Caisses Locales ("Local Banks")

1920
Creation of **Office National de Crédit Agricole, that became the Caisse Nationale de Crédit Agricole** (CNCA) in 1926

1945
Nationalisation of Crédit Lyonnais

1959
Creation of **Banque de Suez**

1975
Merger of Banque de Suez and Union des Mines with Banque d'Indochine to form the **Banque Indosuez**

1988
CNCA becomes a public limited company owned by Regional Banks and employees **("Mutualisation")**

1996
Acquisition of Banque Indosuez by Crédit Agricole one of the world's top 5 banking groups, to create **international investment banking arm**

1997
The Caisse nationale de Crédit Agricole consolidates within **Crédit Agricole Indosuez** its existing international, capital markets and corporate banking activities

1999
Privatisation of Crédit Lyonnais

2001
CNCA changes its name to **Crédit Agricole S.A.** and goes public on 14 December 2001

2003
Successful **mixed takeover bid** on Crédit Lyonnais by Crédit Agricole S.A.

2004
Creation of **Calyon**, the new brand and corporate name of the Crédit Agricole Group's financing and investment banking business, through a partial transfer from Crédit Lyonnais to Crédit Agricole Indosuez

06 FEBRUARY 2010
Calyon changes its name and becomes **Crédit Agricole Corporate and Investment Bank**

2. 2021 HIGHLIGHTS

The year 2021 was again largely impacted by the spread of the Covid-19 pandemic, which continued to affect almost all of the world's economies (lockdown strategies, slow recovery in hardest-hit sectors such as tourism and aviation, deployment of vaccination campaigns). As a result, the European Central Bank's (ECB) budgetary and monetary support policies continued to shore up economic performances, on the decline until the first quarter (eurozone GDP down -0.3%), with net asset purchases under the Pandemic Emergency Purchase Programme (PEPP) and Asset Purchase Programme (APP) of €1,850 billion and €20 billion respectively, while also maintaining abundant liquidity through refinancing operations (TLTRO III). France and the eurozone in general withstood the constraints caused by the crisis, leading to faster-than-expected economic momentum with growth of +2% and, starting in the third quarter, a recovery in the manufacturing sector and business investment buoyed by strong demand for manufactured goods and the European funds for stimulus measures. At the same time, however, inflation accelerated and expectations continued to rise as demand made a comeback, driven by the ongoing normalisation of health conditions and the business recovery. By the end of the year, the economy was going full-force: the French GDP registered a growth rate at +7% for the full-year 2021, a 52-year record. And with a rate of 5% year-on-year in December, the expectation of longer-than-anticipated inflation took root in the region.

The financial markets were hurt at the end of the year by a strong wait-and-see attitude among clients, mainly due to the rapid spread of the Omicron variant, while normalisation was taking hold.

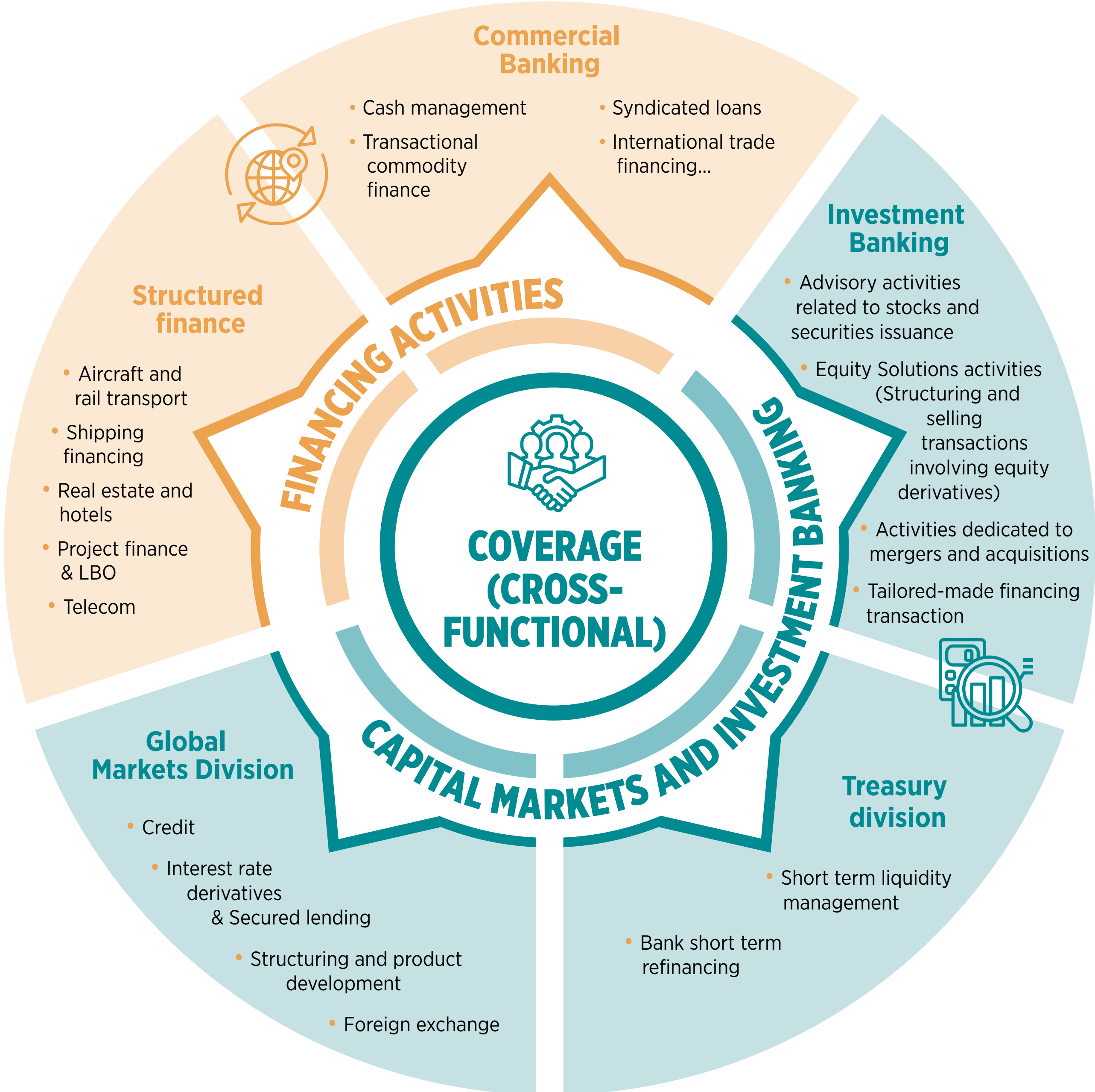
Against this backdrop, Crédit Agricole CIB's revenues remained high, up +1% (1) compared to 2020. The excellent commercial performance of all Corporate Banking businesses (+9% compared to 2020) offset the decline recorded by market activities (-8% compared to 2020). The Bank held on to its leading positions by remaining at the first place of syndication activities in France (2) and third place in the EMEA (3). With the market still normalising, Crédit Agricole CIB consolidated its leading positions in bond issues, ranking fifth on the All Bonds in Euro worldwide market (4), fourth in the Global Green and Sustainability Bonds (5) ranking, and focusing on a specific service for each of its clients in their transition to green and social responsibility.

Once again this year, Crédit Agricole CIB demonstrated the complementarity of its business lines and the relevance of its business model as a bank serving its clients and the economy as a whole.

At end-December 2021, the Bank maintained its organic growth and investment strategies. Crédit Agricole CIB's cost/income ratio excluding SRF stands at 52.9% (6), below the MTP target (< 55%). Human and Societal projects are also prioritised for the Group in today's new post-Covid environment, through employee support programmes, continued leadership in green and sustainable financing, and major societal commitments. For example, Crédit Agricole CIB helped the European Commission launch of the world's largest green bond issue under the NextGenerationEU (NGEU) programme and signed an agreement with Enel S.p.A, the leader in private-sector renewable energy production, to complete the energy transition. The Group is also developing a network of Sustainable Finance coordinators in all its business lines and support functions in order to adapt its organisation to sustainable finance and the energy transition.

(1) Underlying CIB
(2) Source: Refinitiv
(3) Source: Refinitiv R17
(4) Source: Refinitiv N1
(5) Source: Bloomberg
(6) Underlying CIB

3. CRÉDIT AGRICOLE CIB'S BUSINESS LINES



3.1. FINANCING ACTIVITIES

The Financing activities includes Structured Finance and Commercial Banking. It posted underlying net banking income [(1)] of €2,775 million in 2021,which represents 54.3% of CIB's underlying Net banking income [(1)].

Structured Finance

The Structured Finance business line generated underlying NBI [(1)] of €1.306 million in 2021, i.e. 47.1% of the Corporate Banking division's underlying NBI [(1)].

The Structured Finance business (SFI) consists in initiating, structuring and financing investment transactions in France and abroad, often backed with assets as collateral (aircraft, boats, corporate real estate, commodities, etc.) along with complex and structured loans.

The Structured Finance business has historically been a strong point for Crédit Agricole CIB, with positions in the top 5 worldwide for certain products.

SFI strives to maintain excellence in the quality of services provided and to optimise consumption of RWA and liquidity by improving asset rotation and diversifying distribution channels.

ASSET FINANCE GROUP

Aircraft and rail transport

Operating for more than thirty-five years in the aeronautics sector, and boasting an excellent reputation in the markets, Crédit Agricole CIB has always focused on the long-term by striving to establish longstanding relationships with major airlines, airports and companies providing air transport-related services (maintenance, ground services, etc.) in order to understand their priorities in terms of business activity and financing needs.

Crédit Agricole CIB has been active in the rail industry in New York and Paris for many years and is continuing to expand its offering to Europe.

Shipping financing

For thirty years, Crédit Agricole CIB has financed ships for French and foreign shipowners, building up solid expertise and a worldwide reputation. The business line supports a modern and diversified fleet of more than 1,100 ships for international shipowners.

Real Estate and hotels

The Real Estate and Hotels Division operates in 10 countries. Crédit Agricole CIB advises sector professionals upstream of their financial issues, as well as companies and institutions investors interested in having their properties appraised.

ENERGY & INFRASTRUCTURE GROUP

Natural Resources, Infrastructure and Electricity

Crédit Agricole CIB provides financial advice and non-recourse credit arrangements for new projects or privatisations. The banking and bond financing put in place involve commercial banks, export credit agencies and/or multilateral organisations.

This activity operates in natural resources (oil, gas, petrochemicals, mines and metal bashing), electricity generation and distribution, environment services (water, waste treatment) and infrastructure (transport, hospitals, prisons, schools and public services).

The business line operates worldwide in a dozen of regional centres of expertise.

JV LEVERAGE

In 2019, the Acquisition Finance, Telecom and DCM/High Yield teams were combined to better serve private equity and corporate clients basing their development on significant leverage.

In collaboration with Investment Banking, the services offer cover all stages of their development: raising capital and bank or bond debt, acquisition of target companies, buying and selling consulting, IPOs, interest rate products.

Crédit Agricole CIB has been advising and financing companies in the Telecom, Media & Technology sector as well as private equity companies for more than thirty years.

Commercial Banking

For full year 2021, the Commercial Banking business line recorded underlying net banking income [(1)] of €1,470 million, which represents 52.9% of Financing activities' underlying Net banking income [(1)].

INTERNATIONAL TRADE & TRANSACTION BANKING (ITB)

Crédit Agricole CIB offers its clients, importers or exporters tailor-made solutions for financing and securing their international trade transactions. The Export & Trade Finance business relies on a commercial network of specialists spanning nearly 30 countries.

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

More specifically, ITB offers domestic and international cash management, short term trade finance, leasing, factoring, supply chain, international trade (letters of credit, receipts, pre-financing export, buyer credits, forfaiting, etc.), domestic and international guarantees, market guarantees, foreign exchange and interest rate risk management products.

The Bank also provides transactional commodity finance solutions that offer short-term financing and payment security solutions associated with commodities and intermediate goods. Our clients are major international manufacturers and traders operating on the commodities markets, particularly in the energy (oil, derivatives, gas and biofuels), metals and certain agricultural commodities segments.

(1) Restated for loans hedges for -€18m in Financing activities and DVA impacts, FVA liquidity cost and secured lending for +€6m in Capital Markets and investment banking.

1

DEBT OPTIMISATION & DISTRIBUTION (DOD)

Debt Optimisation & Distribution is responsible for the origination, structuring and arrangement of medium- and long-term credits for Corporate clients and Financial Institutions.

Syndicated loans are an integral part of capital raising for large companies and financial institutions.

The DOD business line is a driving force in the distribution of syndicated loans with a view to optimising Crédit Agricole CIB's balance sheet.

The DOD business line is the starting point of new distribution initiatives: new asset classes, new distribution channels, including the partnership with Crédit Agricole Group Regional Banks.

3.2. CAPITAL MARKETS AND INVESTMENT BANKING

Capital Markets and Investment Banking encompasses the capital markets and investment banking business lines. It generated underlying net banking income (1) of €2,334 million in full year 2021, which represents. 45.7% of CIB's underlying Net banking income (1).

Global Markets Division

The Global Markets business line posted underlying net banking income (1) of €1,764 million in full year 2021, i.e. 75.6% of Capital Markets and Investment Banking's underlying net banking income (1).

This division covers all market product origination, sales, structuring and trading activities for corporates, financial institutions and major issuers.

Owing to a network of 18 trading floors, including five liquidity centres in London, Paris, New York, Hong Kong and Tokyo, Crédit Agricole CIB offers its clients a strong position in Europe, Asia and the Middle East, a targeted presence in the USA and additional entry points into local markets.

Global Markets Division (GMD) is organised around:

- Financing & Funding Solutions, dedicated to client financing solutions, encompassing Securitisation and Global Credit (which includes the Debt Capital Market (DCM) origination, syndication and credit trading teams, as well as credit sales);
- Hedging & Investment Solutions, which offers hedging and investment solutions and consists of: sales to Financial Institutions and Corporates, trading activities focused on two areas of expertise (Macro and Non-Linear) covering a variety of underlying assets (foreign exchange, fixed income and non-linear), structuring activities and a dedicated research team.

And three cross-functional units supporting the business line:

- Global Chief Operating Officer (COO) in charge of monitoring various cross-functional issues (financial indicators, IT projects and processes, operational risk and implementation of the business line's strategy);
- the cross-functional unit, in charge of managing scarce resources (including XVA hedging), Onboarding, Transaction Management, Clearing and regulatory watch;
- the Transformation unit, in charge of assisting the business line with technological developments and challenges.

Global Investment Banking (GIB) and GMD pooled their expertise and created the Equity Solutions team in September 2016. Its main objective is to expand the range of Equity investment products.

Treasury Division

The Treasury division turned in underlying net banking income (1) of €173 million in full year 2021, i.e. 7.4% of Capital Markets and Investment Banking's underlying Net banking income (1).

The Treasury business line hierarchically reports to the Finance and Procurement Chief Officer via Execution Management (EXM) and is functionally subordinate, depending on the site, either to the Senior Country Officer, the Chief Financial Officer or the local division managers.

Since 2018, Crédit Agricole CIB and Crédit Agricole S.A. have pooled their Treasury business lines to jointly manage the Group's liquidity risk whilst respecting the regulatory constraints in which the two legal entities operate.

The Treasury team ensures the sound and prudent management of the Bank's short-term liquidity on a daily basis, in accordance with the procedures established by the Asset & Liability Management Committees and in compliance with its internal and external constraints (short-term liquidity ratios, prudential ratios, reserves).

In addition, Treasury manages a portfolio of high-quality liquid assets (HQLA), and is also in charge of the bank's short-term issuance programmes (Neu CP / CD / ECP, etc.) and is responsible for the Euribor, Libor and CNHbor contribution process.

The Treasury business is structured around 3 liquidity hubs (Paris, New York, Hong Kong), 11 local Treasury departments and a central hub for private banking, allowing the bank to continuously optimise its short-term funding requirements and recycle surplus liquidity, primarily by placing it with central banks. Its geographic structure provides access to wide-ranging and diversified short-term financing complementing to the long-term refinancing provided by ALM.

(1) Restated for loans hedges for -€18m in Financing activities and DVA impacts, FVA liquidity cost and secured lending for +€6m in Capital Markets and investment banking.

Investment Banking

In 2021, Investment Banking posted underlying net banking income [1] of €396 million, i.e. 17% of Capital Markets and Investment Banking's underlying net banking income [1]. Investment Banking comprises all "equity and long-term" financing activities for Crédit Agricole CIB's corporate clients and is structured around three main divisions:

PRIMARY EQUITY CAPITAL MARKETS

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

In particular, it is in charge of capital increases, secondary offerings as well as convertible bonds, exchangeable bonds and other hybrid products issues for the *large and mid-cap primary market*.

GLOBAL CORPORATE FINANCE

The Global Corporate Finance business line encompasses activities dedicated to mergers and acquisitions, from strategy advisory services to transaction execution.

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

STRUCTURED AND FINANCIAL SOLUTIONS (SFS)

The Structured and Financial Solutions business line offers Crédit Agricole CIB's large clients tailored solutions with high added value in support of their complex finance transactions. In particular, it provides alternative financing solutions to traditional banking operations and capital market solutions.

SFS also realises receivables' financing, including the CICE tax (competitiveness and employment tax credits) set up by the French government.

3.3. CROSS-FUNCTIONAL

Unique coverage: CIB

Drawing on Crédit Agricole CIB's client-centric approach, the CIB division provides coverage for all of the bank's clients. At the centre of the bank's organisational structure, the division is responsible for client income and profitability, manages client relations for the entire bank worldwide, promotes all of the bank's business lines, as well as Crédit Agricole S.A. Group's business lines, and manages the bank's overall exposure by client.

Within this division, a dedicated Sustainability Banking team advises clients on bond issues and responsible financing. Crédit Agricole CIB is a world leader in the green, social & sustainability bond market.

In addition, in terms of Islamic financing, Crédit Agricole CIB facilitates access to Shariah-compliant solutions in many segments with a dedicated team in the Gulf.

3.4. WEALTH MANAGEMENT

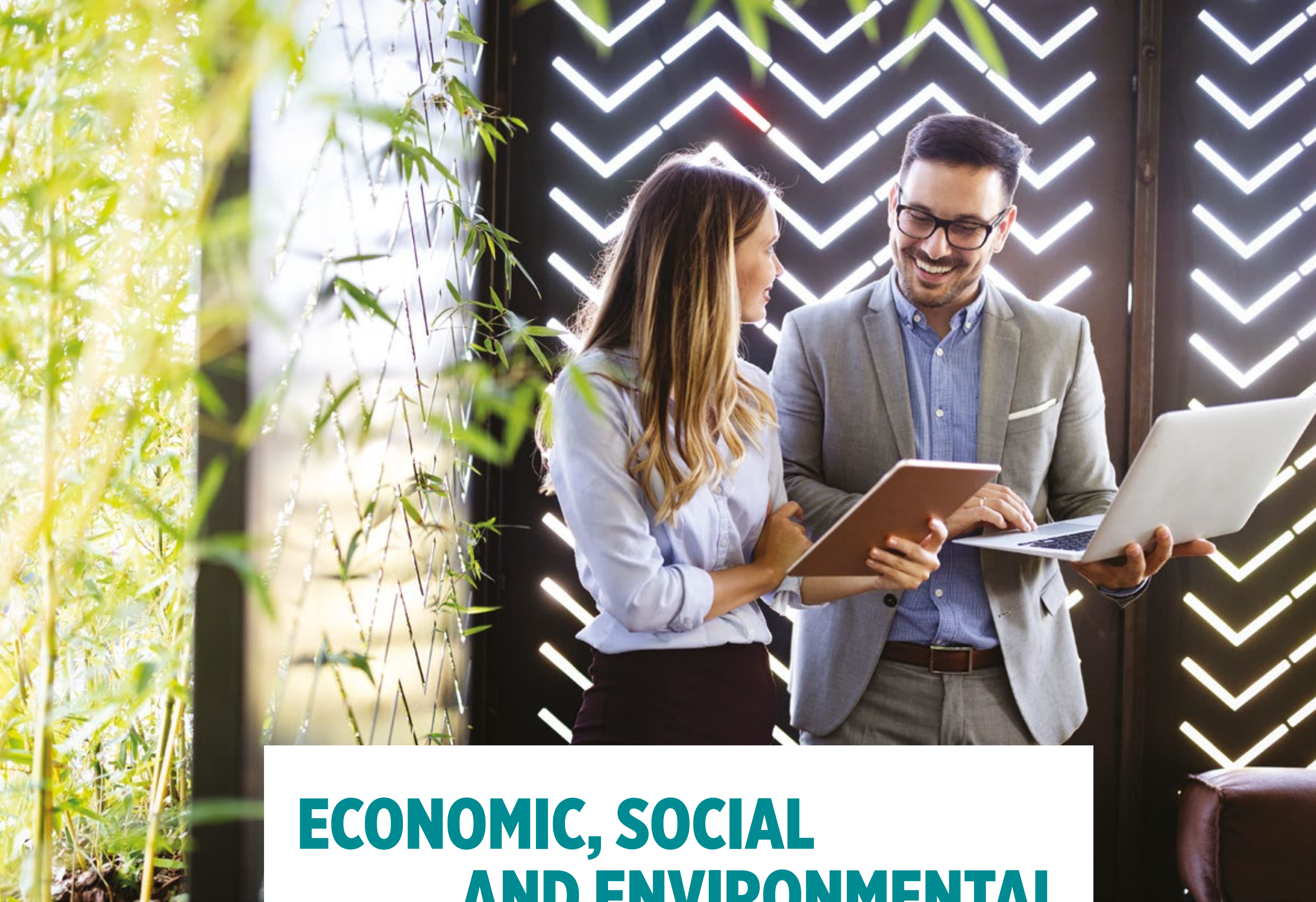
Wealth Management, a business operated under the global brand name Indosuez Wealth Management since January 2016, offers a tailored approach that enables each of its clients to preserve and develop their financial assets and real assets to meet their needs as closely as possible. With a global vision, its multi-disciplinary teams offer them tailor-made, sustainable solutions, combining excellence, experience and expertise.

Since 2012, Wealth Management has been part of a fully global and cross-business organisation. It not only optimally combines employee expertise, but also leverages all their synergies in order to improve the convenience and experience of an increasingly international client base.

With the constant ambition of consolidating the quality of its services and strengthening its efficiency, Indosuez Wealth Management is actively pursuing the digitisation of its offering and processes.

In response to client expectations, Indosuez Wealth Management is expanding its value proposition in favour of more sustainable development and a more responsible economy in cooperation with other Group entities.

In France, the partnership between Indosuez Wealth Management France and the Regional Banks (Caisses) is based on complementary approaches and is a clear asset when it comes to meeting the ever-changing expectations of Crédit Agricole Group's high net worth clients.



ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

2 CONTENTS

ENERGY TRANSITION

84% OF RENEWABLE ENERGY
in the financing of electricity generation in terms of number of projects in 2021

13.2 BILLION EUROS
of green loans as at 31 December 2021

HUMAN RESOURCES

43.8% OF WOMEN
among the worldwide employees of Crédit Agricole CIB

75% OF EMPLOYEES
consider having a good work/life balance.

COMPLIANCE

The compliance training System consists of

30 E-LEARNING TRAININGS
9 general trainings and 21 dedicated trainings

6 NEW TRAININGS
deployed in 2021

1. OUR CSR STRATEGY: PROGRESSIVE ACTIONS DRIVEN BY EMPLOYEES' INVOLVEMENT

Some of the information not included in this document can be found in the Crédit Agricole CIB Corporate Social Responsibility (CSR) policy, which is published on the Bank's website. There you will find details about Crédit Agricole CIB's approach, its financing and investment policies and their implementation, the protection of client interests and respect for ethics in business, its undertakings and actions as a responsible and committed employer, the management of the impacts of the Bank's operations and its policy on charities, sponsorship and supporting university research.

The following pages focus on the actions taken in 2021.

Although the developments below illustrate, for Crédit Agricole CIB, the implementation of the Crédit Agricole Group S.A. Vigilance Plan and the group's non-financial performance, this chapter is neither a report on the implementation of the Vigilance Plan, nor a declaration on the non-financial performance, both of which are presented in the Crédit Agricole S.A. Universal Registration Document.

1.1. OUR APPROACH

Crédit Agricole CIB

In 2019 the Crédit Agricole Group put together its new "2022 Ambitions" project with a view to establishing its social utility as an essential component of its activities, business lines and processes. This strategic plan is three-dimensional, comprising a Client Project, a Human Project and a Societal Project.

The Crédit Agricole CIB's strategy fully embraces this approach. The Bank has entered into stringent societal commitments which cover three priority areas: the fight against climate change, preservation of biodiversity and respect for human rights.

For several years now, these issues have been tackled by a three part initiative:

- to reduce its direct environmental footprint;
- to measure and reduce environmental and social risks related to its financing activity (notably based on the Equator Principles, the CSR sector policies, and the introduction of CSR scoring of corporate clients);
- to increase the positive impacts of its business through Sustainable Banking.

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

Indosuez Wealth Management

Since 2020, Indosuez Wealth Management's CSR approach has been supported by a global business line dedicated to offers and business development. It is structured around its Human Project, its Client Project and its Societal Project.

It seeks to strengthen Indosuez Wealth Management's usefulness to its clients, and in particular to:

- increase its presence and impact,
- better meet their expectations,
- better coordinate the development and distribution of responsible offers in accordance with prevailing laws,
- establish a sustainable development culture and dynamic at Indosuez Wealth Management.

To that end, at each entity, including Azqore, a two-person team consisting of the local CSR manager and a front office employee is responsible for promoting the convictions and societal dynamics of the Group and its geographical regions. Their roles and responsibilities are clearly defined; the projects are overseen centrally and are operationally managed by the entities with a view to complying with the strategy implemented.

1.2. GOVERNANCE STRENGTHENED BY EMPLOYEES' INVOLVEMENT

Governance

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

The Corporate Social and Environmental Responsibility department, which reports to Risks and Permanent Control, proposes and coordinates Crédit Agricole CIB's sustainable development actions with the bank's business lines and support functions.

An ad hoc Committee, the Committee for the Assessment of Transactions with an Environmental or Social Risk (CERES), chaired by the head of the Compliance function, acts as a top-level Committee of the system for evaluating and managing environmental and social risks related to the activity. This Committee issues recommendations prior to the Credit Committee meeting for all transactions whose environmental or social impact it feels needs close monitoring. The CERES Committee validates the ratings of the transactions in accordance with the Equator Principles, issues opinions and recommendations on transactions classified as sensitive in respect of environmental and social aspects, and approves significant modifications to processes, methodologies and governance texts relating to sustainable development.

The CERES Committee met eight times in 2021 to discuss issues such as the review of transactions signed-off during the year, the approval of ratings according to the Equator Principles, the monitoring of sensitive files, and the review of sector policies and methodologies linked to environmental and social risks.

In 2021, the CERES Committee specifically reviewed 88 transactions before they were sent to the Credit or Commercial Decision Committee, given their importance and the sensitivity of the potential environmental or social impacts identified. In two cases, its recommendations resulted in not continuing a commercial opportunity and in thirty-one cases imposing specific conditions for the management of environmental and social risks.

Employees at the heart of the implementation

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

Client managers and senior bankers are responsible for analysing environmental and social challenges related to their client portfolio. If necessary, they call on the Corporate Social and Environmental Responsibility Department, and submit the most complex transactions from an environmental or social point of view to the CERES Committee.

The gradual incorporation of sustainable development priorities into our operations (widening the scope of application of the Equator Principles, sector wide CSR policies, scoring of corporate clients, etc.) and the central role entrusted to employees in the strategy, has led the Bank to step up training for employees to raise their awareness of CSR matters. The action plan aimed at reinforcing the CSR culture, implemented in 2017, continues to be deployed with an objective to incorporate the CSR aspects into operations. The health situation meant that most of the awareness-raising and training actions continued to be carried out by videoconference.

SIGNIFICANT EVENTS IN 2021

The search for better integration with business activity

Crédit Agricole CIB's Executive Committee has entrusted the head of the Sustainable Banking division with the task of proposing a new structure for developing synergies between all Crédit Agricole CIB's departments in order to continue improving the assistance given to our clients in meeting their environmental and social challenges. This review, which includes the creation of a Climate & Sustainable Strategy team, is expected to conclude in the first half of 2022.

1.3. AN APPROACH FOCUSING ON ONGOING PROGRESS AND LISTENING TO OUR STAKEHOLDERS

The FReD approach

Crédit Agricole CIB and CA Indosuez Wealth Management are fully involved in the Crédit Agricole Group's FReD progress driven approach. The process, intending to strengthen CSR within the Group, has, since 2020, been focused on Medium-Term Plan CSR objectives, and consists of 6 action plans focused on three key areas involving clients (Fides), employees (Respect) and the environment (Demeter). Specific and measurable objectives are defined for each plan. The desire to link FReD actions more closely with strategic challenges leads to the selection of longer-term plans. Since this review, the average annual growth target has been 1.3 on a progress scale comprising 4 levels.

In 2021, the average level of progress recorded by the 6 action plans of Crédit Agricole CIB was 1.5.

In 2021, the average level of progress recorded by the action plans of the Indosuez Wealth Management Group was 1.17.

Relationships with stakeholders

For Crédit Agricole CIB, listening to its stakeholders is the way forward. It held several meetings with NGOs in 2021. Crédit Agricole CIB plays an active role in sharing best practices with its peers and has been a member of the Mainstreaming Climate Action within Financial Institutions initiative for several years.

2. PROMOTING AN ETHICAL CULTURE

The Crédit Agricole CIB Group has adopted the Crédit Agricole Group's approach to positioning ethics as one of its priorities. It promotes Group initiatives which aim to exceed regulatory standards and establish an ethical culture.

2.1. DEVELOPING AN ETHICAL DIMENSION IN BUSINESS

The mission of the Compliance function is to contribute to the respect of activities and operations of the Bank as well as its staff with laws and regulations in force, internal and external rules, and the professional and ethical standards in banking and finance applicable to the Crédit Agricole CIB Group's activities.

The code of conduct

In 2018, Crédit Agricole CIB reviewed its Code of Conduct to take into account and implement all the themes of the Crédit Agricole Group Ethics Charter. This Code of Conduct consists of a common foundation of 7 principles intended to align behaviours with the Bank's values and thus guide employees on a daily basis. Its purpose is to:

- assert our principles and ethical values;
- engage with our clients and Group partners.

Crédit Agricole Indosuez circulated its Code of Conduct – which translates the commitments of the global Crédit Agricole Ethics Charter into practical action – to its Wealth Management entities. This Code of Conduct, available on the new intranet site as well as on the websites of each entity, is both a tool and a guide. It is the foundation of ethical and professional conduct that reflects the Group's values and the guidelines on behaviour to be adopted with all our clients and all stakeholders: employees, suppliers, service providers...

Training of directors and company administrators

In accordance with the guidelines of the European Banking Authority and the provisions of the French Monetary and Financial Code, Compliance officers train members of the Board of Directors on current regulatory issues.

Members of the Crédit Agricole CIB Board of Directors are thus trained in compliance issues on a yearly basis. In 2021, Board members were given training on recent regulatory changes, particularly on the extraterritorial effect of US laws, and on security-based swap dealer regulations and conduct risk. At the same time, a number of compliance courses are made available to them so that they can have access to concise information on compliance issues. And newly appointed administrators meet with the Head of Compliance at the beginning of their role.

The Crédit Agricole Indosuez Wealth Management Group has also rolled out the system proposed by the Crédit Agricole Group. The members of the Board of Directors of Crédit Agricole Indosuez, as well as the administrators in the entities, receive an annual update on all regulatory developments required for fully understanding compliance issues.

Deploying a responsible compliance policy

FIGHTING AGAINST CORRUPTION

The Crédit Agricole CIB Group claims and applies, at the highest level, a zero-tolerance policy for any unethical behaviour in general, and any risk of corruption in particular. This policy illustrates the group's long-standing commitment to business ethics, a key element of its corporate social responsibility policy. It integrates well with the compliance and financial security programmes of the Crédit Agricole Group, aiming to ensure transparency and loyalty to clients, suppliers and all types of counterparties with relationships with the Bank, to contribute to the integrity of financial markets and to combat money laundering, fraud and corruption.

The group's commitment to fighting corruption is reflected in the BS 10500 certification obtained in 2016, and subsequently the award to the Crédit Agricole Group in 2017, renewed in 2019 of the ISO 37001 international standard for its anti-corruption set-up. The latter recognises its determination and the quality of its corruption prevention programme. It proves that corruption risks have been correctly identified and analysed and that the programme has been designed to limit these various risks, applying the best international practices. This certification covers all the business lines and support functions of the Crédit Agricole CIB Group.

Against the backdrop of increased legal obligations for fighting corruption, in 2018 Crédit Agricole CIB implemented "Measures aimed at preventing and detecting corrupt practice", as referred to in article 17 of the so-called Sapin 2 law of 9 December 2016 on transparency, fighting corruption and the modernisation of the economy. Existing systems for fighting corruption have been strengthened by the implementation of the recommendations of the French Anti-Corruption Agency (AFA).

The Group has implemented specific governance to develop the behaviours to be adopted in order to avoid any lapses in probity. Crédit Agricole CIB wrote and circulated an anti-corruption Code of Conduct which was accompanied by an e-learning training programme for all employees and in-person training for people in positions which could be exposed to corruption risks. Employees in roles that are the most exposed to the risk of corruption at the Crédit Agricole Indosuez Wealth Management Group also followed a dedicated e-learning training course.

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PREVENTING FRAUD

Crédit Agricole CIB continues to strengthen its systems for preventing internal and external fraud, in the context of increased frequency and growing complexity of fraud.

Correspondents of the fight against fraud within business lines and support functions are regularly trained to increase their awareness with regard to elements of risk. Warning and vigilance messages are sent to all employees, particularly via the Crédit Agricole CIB Intranet site. Targeted prevention actions are undertaken to advise and support employees in their choices and to help them to reconcile issues relating to ethics, professional behaviour, objectives and obligations. These actions enable a culture of probity to permeate all levels of the company; the controls and procedures associated with any lapses provide an appropriate management of any behaviours which may harm, directly or indirectly, clients, the Bank and its employees.

FIGHTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

The Compliance Division of the Crédit Agricole CIB Group is responsible for the implementation by the Group as a whole of a financial security set-up, consisting of a set of measures aimed at fighting money laundering and the financing of terrorism, as well as ensuring compliance with international sanctions.

The Crédit Agricole CIB Group has taken into account the requirements of the transposition into French law of the fifth European Directive 2018/843, approved by the European Parliament on 30 May 2018, on preventing the use of the financial system for money laundering and the financing of terrorism. Crédit Agricole CIB devised a vigilance system and aligned it to the specific nature of its clientele, its business and its network outside France. Therefore, when entering into any relationship, the required client due diligencies are a first filter to prevent money laundering and the financing of terrorism. This preventative measure relies on knowledge of the client and of the ultimate beneficial owners, completed by research through specialised databases. It also takes into account the purpose and intended nature of the business transaction. During the business relationship, there is an appropriate vigilance proportionate to the identified level of risks. For that purpose, the Group's employees may use computer tools to analyse clients' risk levels and to detect unusual transactions.

The fight against the financing of terrorism and the set-up for ensuring compliance with international sanctions implies, in particular, a constant screening of client and supplier files, both when entering into the relationship and during the relationship, with a list of sanctions as well as the real-time monitoring of international transactions.

Despite the performance of the computer tools available, human vigilance remains essential so all employees exposed to these risks are periodically trained in the fight against money laundering and the financing of terrorism, and compliance with international sanctions.

Lastly, Crédit Agricole CIB has put in place a dedicated governance system and tools allowing to follow at the highest level and monitor risks of money laundering, terrorist financing, as well as the respect of international sanctions.

Crédit Agricole Indosuez has also rolled out the AML-CFT and international sanctions system introduced by the Crédit Agricole Group and certifies annually to Crédit Agricole CIB that all the Corpus's AML-CFT ratings have been implemented within CAI as well as in the entities within its consolidated supervision scope.

PRESERVING THE INTEGRITY OF THE MARKETS AND ANTICIPATING MARKET ABUSE

The Bank continuously ensures that the rules on the integrity of the financial markets and those relating to market abuse are respected by all Group employees. Thus, strict ethical standards, procedures and rules have therefore been put in place to prevent:

- market manipulation and attempted market manipulation (such as fixing the price of a financial instrument at an abnormal level or disseminating and transmitting false or misleading information);
- any insider dealing;
- any unlawful disclosure of privileged information.

These obligations are reiterated on an ongoing basis by the various Compliance teams across all of the Bank's activities as well as through its training programme covering the various compliance topics.

In addition, controls have also been put in place and daily monitoring is carried out by Compliance in order to detect potential market abuse and to be able to inform senior management and report this to our regulators.

Finally, any suspicion or detection of market abuse must be escalated to Compliance, which will then be responsible, if necessary, for informing the senior management of the Bank and our regulators.

SIGNALLING BEHAVIOURS AND PRACTICES THAT GENERATE A RISK OF NON-COMPLIANCE

The entire compliance set-up (organisation, procedures, training programmes) creates an environment contributing to the strengthening of ex ante control. Nonetheless, when preventive measures failed and an incident occurs, Crédit Agricole CIB has specific procedures in place to ensure that these incidents are:

- detected and then analysed as quickly as possible;
- brought to the attention of managers and compliance functions at the most appropriate level within each business line;
- monitored and solved, by establishing an action plan to resolve the issues.

The centralisation of incidents through the reporting process, described in a specific governance text, makes it possible to measure, at the highest level of the company, the Crédit Agricole CIB Group's exposure to the non-compliance risk. Therefore, when an employee reasonably establishes the existence of an incident related to compliance concerns, he must tell his supervisor who informs the operational heads and the Compliance, Permanent Control and Legal functions, depending on the subject. The system is completed by a whistleblowing mechanism allowing any employee, if they find an abnormality in the treatment of a malfunction which they consider is due to a deficiency of, or pressure exercised by, their manager, or if they think they are being submitted to pressure, active or passive, that may lead them to cause a dysfunction or to conceal it, to inform their compliance manager and/or, if they so wish, their manager's direct superior of the situation. Crédit Agricole CIB Group has deployed a secure reporting tool across all its entities, selected by Crédit Agricole S.A. for the entire Crédit Agricole Group, accessible to employees and any external third parties via the Internet. This tool enables the confidentiality of the facts reported, any people involved and conversations which may occur between the whistleblower and the officer responsible for processing the alert.

Dysfunctions noted are monitored by the Global Compliance Department and escalated to management for submission to the Compliance Management Committee.

DISSEMINATING THE COMPLIANCE CULTURE

The Crédit Agricole S.A. Compliance Division has developed a training programme covering Compliance issues. This programme has been replicated by Crédit Agricole CIB's Compliance and Human Resources Divisions and supplemented with training courses specific to its business activities.

At the same time, the Crédit Agricole CIB Compliance pole of expertise provide both e-learning and classroom/remote training in their area of expertise to targeted groups.

A continuous training action plan improves employee awareness of all Compliance and Financial Security issues, which are constantly evolving. Training on general subjects is usually provided in the form of e-learning, while training targeting at-risk populations is preferred for face-to-face/remote training.

The Compliance Culture is also consolidated through dedicated campaigns such as the Compliance Awards which are given to the best initiative or the best project incorporating the principles of compliance and ethics. Finally, the compliance criteria, which are regularly updated and expanded, form part of each employee's annual appraisal.

In order to reinforce non-compliance risk management within the Crédit Agricole Indosuez Wealth Management Group, a number of initiatives are being carried out in terms of training. More specifically, an action entitled "Supporting Relationship Managers on compliance values" is underway. This initiative involves compliance training for Relationship Managers as soon as they are hired.

MANAGING ACTIVITIES AND DISTRIBUTED PRODUCTS

The Crédit Agricole CIB Group designs and distributes new products, activities and services for its clients in a secure manner thanks to the implementation of a management system for this process called "NAP Committee" (New Activities/New Products). Any new product, activity or service must go through the NAP process so that all support functions can analyse them. In this way, any product, activity or service envisaged is approved by a NAP Committee whose decision is based on an analysis of all risks and a confirmation of its compliance with regulations as well as the group's strategy.

The NAP Committee process also involves a CSR analysis and the systematic provision of a legal and compliance opinion.

Implementing a transparent lobbying policy

Crédit Agricole CIB acts within the framework of the Crédit Agricole Group policy.

As a result of the entry into force of the Sapin II Law, Crédit Agricole CIB Group introduced a new system in 2017 to bring its Directors and interest representatives in line with the reporting obligations.

2.2. SUPPORTING OUR CLIENTS OVER THE LONG TERM

Protecting clients and their interests is central to Crédit Agricole CIB's concerns.

In terms of protecting the interests of clients, the Bank has a Conflict of Interest Management Policy and detailed, annually updated procedures, as well as strict rules to identify, prevent and manage all conflicts of interest that may arise. Actions to increase the awareness of the First Line of Defense were again carried out in 2021 and will continue in 2022.

Moreover, the Group also implements all measures to protect its clients' data and takes client opinions into account.

Protecting data

Protecting data and using it in the appropriate manner, in the interests of clients, the Bank, its employees and partners have always been at the core of the group's preoccupations.

Thus, in 2017 the Crédit Agricole CIB Group adopted the Charter on the "Use of Personal Data", which has been endowed by the Crédit Agricole Group. The following year it adapted its system in France and abroad in accordance with the General Data Protection Regulations which came into force in May 2018.

Another strong signal of this commitment is Crédit Agricole CIB's deployment, in France and its main entities abroad, of its NSU (New Solutions and Uses) set-up. This system enables to proactively manage the regulatory, legal, operational and IT security risks associated with the implementation of new solutions or new uses concerning data, in an ethical approach focused on the interests of third parties or persons concerned. It offers to all of the Bank's Business Lines and Support Functions a secure framework for the digital transformation (Cloud computing, New ways of working,...), innovation and the use of new technologies (Artificial Intelligence, Quantum Computing, Blockchain,...).

Ensuring quality relationships

One of the principles of the Crédit Agricole CIB Group is to develop long-term relationships with its clients based on trust and transparency.

In this regard, Crédit Agricole CIB has implemented a secure process for initiating these relationships and managing the sale of market-based products. The protection of clients is based on a comprehensive client classification system which not only involves applying the MiFID rules applicable in the European Economic Area, but also worldwide after an internal process called "Internal suitability rating". This set-up forms part of the sales process, in particular so that the financial instruments offered to clients are in line with their risk awareness.

Furthermore, Compliance pays particular attention to commercial margins on market-based products and the documentation intended for client information, while continuing to file and retain the underlying data appropriately.

The Bank relies on its NAP process to ensure its new products/new activities are in line with the client profile. Finally, in order to meet the new product governance obligations imposed by

MIFID 2, in early 2018 Crédit Agricole CIB set up a taxonomy for all products handled by the Bank with its clients, and in parallel with the NAP system, a new MIFID 2 product file Committee was set up with a view to systematically defining, prior to any transaction, the target market for each of the new products offered by Crédit Agricole CIB to its clients.

Complaints

The Bank constantly strives to improve its client protection measures by continuing to fine-tune its complaints follow-up system. These complaints have to be systematically recorded, communicated to a Complaint Correspondent appointed within each department of the Bank, then replied to within the following time frames:

- ten days from the receipt of the complaint to acknowledge receipt, unless the response itself has been given to the client within this period;
- two months between the receipt of the complaint and the date the response was sent to the client.

In the specific case where the complaint relates to payment services subject to the European Payment Services Directive, known as PSD 2, the response shall be sent no later than fifteen days after receipt of the complaint. This period may be extended to thirty-five days in exceptional situations (for reasons outside the control of the payment service provider).

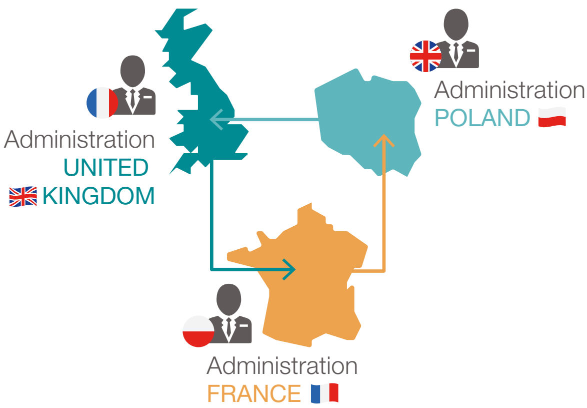
2.3. TAX POLICY

The Crédit Agricole CIB Group monitors the commitments made by the Crédit Agricole S.A. Group in the area of prevention of the risk of tax fraud by its clients, prospects or suppliers, since tax practices represent an important element of corporate social responsibility.

In this regard, the Crédit Agricole CIB Group:

- on the one hand, ensures compliance with all countries' fiscal regulations (FATCA, AEOI, etc.);
- on the other hand, provides no help or encouragement to clients, prospects and suppliers with infringing tax laws and regulations, nor does it facilitate or support transactions where tax efficiency is based on the non-disclosure of facts to the tax authorities.

In addition, pursuant to the OECD standard on the automatic exchange of information as part of tackling tax evasion, adopted by around one hundred States and transposed by the European Union, the Crédit Agricole CIB Group identifies the holders of accounts who are resident for tax purposes in countries with which an exchange agreement has been concluded and sends information about those clients to their local tax authorities, which forwards them to the tax authorities of the relevant States of residence.



In line with its global strategy, the Crédit Agricole Indosuez Wealth Management Group has a basic rule of only working with clients who meet their tax obligations. Wealth Management therefore intends to base itself primarily on the systems in place in the different countries (the Automatic Information Exchange systems in particular) to ensure on the tax compliance of its clients (limitation of booking centers to EAI/EAIequivalent countries, selection of clients residing in these countries).

Being responsible along the entire chain

A governance document, updated in 2019, describes the procurement function's general operating principles at Crédit Agricole CIB Group, within the framework of Crédit Agricole S.A. Group's Procurement Business Line. These rules apply to all purchases made by Crédit Agricole CIB units. This document emphasises the need to include, to the extent possible, a company from the disability friendly sector in the list of subcontractors and suppliers. The MUST RSE (MUST CSR) programme applied to purchases made by Crédit Agricole Group has made it possible to manage legal, financial and reputational risks by applying best practices in order to forge balanced relationships with suppliers. A number of achievements have been made as a result of this programme, namely:

- adding a clause to our contracts which provides for the referral to a mediator from the Crédit Agricole S.A. Group, in the event of disagreements relating to the execution of a contract between a supplier and the internal decision-maker, should both parties fail to find a solution internally. The option of using a Group mediator is to prevent the disagreement escalating into a dispute or court action;
- adding a sustainable development appendix to our contracts to reiterate the Group's commitments in this area and the expectations that we have of our suppliers;
- obtaining from third-party service providers CSR ratings on our suppliers and prospects during consultations or calls for tender.

In addition, the centralisation of receipt and processing of supplier invoices in an electronic workflow brought improvements in our suppliers' invoice payment chain and faster invoice processing times.

All the buyers have had training on the issue of human rights in the value chain.

The Indosuez Wealth Management group is continuing its policy launched in 2016 consisting of a "Responsible Purchasing" governance and policy which is clear, homogeneous and in line with the Crédit Agricole Group S.A. strategy.

The responsible purchasing policy's defining issues and priorities include Human Rights, Industrial Relations and Working Conditions, the Environment, Fair Business Practices, Diversity and Communities and Local Development.

3. INCORPORATING THE CHALLENGES OF CLIMATE CHANGE

Since 2016, the steps taken to integrate climate change challenges are presented each year according to the five "Mainstreaming Climate Action within Financial Institutions" principles signed at the COP21 climate conference in Paris by Crédit Agricole and a group of multilateral, development and commercial banks.

These five principles provide encouragement to:

- **pursue a climate friendly strategy;**
- **managing climate risks;**
- **promote smart climate objectives;**
- **improve climate related results;**
- **report on climate action.**

3.1. PURSUING A CLIMATE FRIENDLY STRATEGY

The Crédit Agricole CIB climate policy reflects the different climate challenges identified:

- financing the energy transition;
- managing climate risks;
- reducing its direct carbon footprint.

The policy was published in 2017 in the document setting out our CSR policy "Crédit Agricole CIB, a useful and responsible Corporate and Investment Bank" and is reinforced by the Crédit Agricole Group Climate strategy published in June 2019.

In 2021, the Crédit Agricole Group joined the Net Zero Banking Alliance, thereby committing to aligning the operational greenhouse gas emissions and those associated with its financing and investment activities with a carbon neutrality target of 2050.

At COP26, Crédit Agricole CIB once again strengthened its commitment to climate change and to supporting its clients in the energy transition and their decarbonisation strategies. As the first milestones in its strategy to achieve carbon neutrality by 2050, Crédit Agricole CIB has committed to reducing its exposure to oil extraction by 20% between 2020 and 2025 and increasing its exposure to carbon-free energy (production and storage) by 60% over the same period.

SIGNIFICANT EVENTS IN 2021

Strengthening our sector policies and supporting our clients in their energy transition and their decarbonisation strategy

At COP 26, Crédit Agricole CIB strengthened its sector policies in hydrocarbons by committing, alongside five other French banks, from January 2022, to no longer financing projects directly linked to shale oil, shale gas and oil sands, and companies whose exploration and production of such energies account for more than 30% of their business activities. Crédit Agricole CIB also extended its exclusion criteria for oil projects in the Arctic region to all gas projects and expanded the exclusion perimeter to the AMAP region for the terrestrial Arctic.

As the first milestones in its trajectory of achieving carbon neutrality by 2050, Crédit Agricole CIB decided to reduce its exposure* to oil extraction by 20% between 2020 and 2025 and to increase its exposure to carbon-free energy (production and storage) by 60% over the same period. In 2022, Crédit Agricole CIB will publish the trajectories of other sectors with a significant carbon footprint.

** Calculated by weighting exposures to all clients based on the share of their activity represented by oil extraction*

3.2. MANAGING OUR CLIMATE RISKS

For a number of years, Crédit Agricole CIB has undertaken work designed to better understand and manage climate risks:

- by evaluating the carbon footprint caused by its financing and investment portfolio and defining the sector wide policies for sectors which account for a large proportion of this footprint (over 80% of this footprint on a cumulative basis);
- by seeking to identify the materiality of the climate risks and by gradually introducing additional analyses for clients appearing to present the highest risk.

This approach was strengthened in 2021 by defining action plans with a view to meeting the European Central Bank's expectations.

Measuring and mapping climate challenges

Since 2011, Crédit Agricole CIB has used a procedure to calculate greenhouse gas emissions said to be financed by a financial institution. The procedure was developed at its request by the Chair in Quantitative Finance and Sustainable Development at Paris Dauphine University and École Polytechnique. This innovative methodology, originally known as P9XCA but renamed SAFE (Single Accounting of Financed Emissions), has, since 2014, been recommended for corporate and investment banks in the financial sector guide to “Conducting a greenhouse gas emissions audit” published by the Agency for Environment and Energy Management, the Observatory on Corporate Social Responsibility and the Bilan Carbone Association.

It enables Crédit Agricole CIB to calculate, without multiple counting, the order of magnitude of the emissions financed and map them according to sector and geographical location. Greenhouse gas emissions are allocated to economic players according to their capacity (and their economic interest) to reduce them according to an allocation described “by issue” as opposed to the usual allocation “by scope” (see sectoral guide). This methodology gives us a sectoral and geographical mapping of the carbon issue which has guided the choice of sectors of the bank for the development of sectoral CSR policies and has been used in methodologies for calculations linked to the transition climate risks presented below. Certain methodological adjustments were made in 2018 in parallel with the revision of emission factors.

Furthermore, mapping of the challenges linked to physical climate risk is under way, combining sector based and geographical vulnerability indices.

Scenario and materiality of climate risks

In line with the recommendations of the Task force on Climate related Financial Disclosures (TCFD), sensitivity to climate risks was assessed in 2017 within the framework of various scenarios.

The four scenarios tested in 2017 stand out due to the scope of the mitigation measures and the gradual nature of their implementation. These scenarios identify three timescales: short term (before 2020); medium term (from 2020 to 2030) and long term (after 2030). They are outlined briefly below.

Each scenario led to a climate trajectory and to a carbon price level in line with the scope of the mitigation measures. Research has therefore been carried out into the potential impact on the profitability of companies which are the CIB clients both as regards the physical climate risk and the transitional climate risk.

Regarding the physical risk, the average potential impact on the added value of companies has been considered to directly reflect the impact of global warming on world GNP as generally estimated (without taking into account, at this stage, the different impacts according to sector and country).

For the transitional risk, the potential vulnerability of companies was assessed using the emissions allocated to the economic players in the sectors and countries defined in P9XCA (in the by challenge version) and correlated with their added value. Valued at the carbon price selected for each scenario, these emissions make it possible to provide an initial economic assessment of the carbon challenge for each macro sector and country. Based on several studies concluding that a controlled energy transition would not damage growth (see below), it was considered that the carbon challenge would impact companies differently depending on their ability to anticipate and therefore the rate of progress to implement measures to adapt to this risk.

These calculations are by necessity approximate but provide insight into the orders of magnitude and make it possible to compare the potential impacts on sectors and countries depending on the scenarios and time-scales used. The calculations show the transitional climate risk in the “sudden progress” scenario as the main medium-term risk, while underlining the strong increase in the physical climate risk over time, notably in the scenario involving no new mitigation measures.

They also provide an initial macroeconomic insight into climate risks by highlighting the main risk areas (sectors and countries) according to the various scenarios and time-scales. For the medium-term transitional risk, identified as the main potential risk, a complementary microeconomic approach has been developed which seeks to differentiate it at individual counterparty level.

Transition risk index

For financial players, the transitional climate risk arises mainly from the uncertain return from their clients' investments and changes in the financial models which result from the changes in the economic environment brought about by initiatives against global warming (introduction of a carbon price, regulatory changes).

An OECD study published in May 2017, “Investing in Climate, Investing in Growth”, concluded that a controlled energy transition is favourable to the economic growth of the G20 countries, backing up the conclusions of a study by the French Environment and Energy Management Agency (ADEME) in 2016,“An electricity mix from 100% renewable sources? Technical summary and macroeconomic evaluation summary” for France. It would seem, therefore, that the impact of the energy transition will not necessarily be negative for economic players. Rather, it will be important to be able to identify the winners and the losers in this major change.

The potential impact of the energy transition on the financial performance of a company would therefore seem to depend on both the potential sensitivity of the company to the transition (due to its business sector and geographical location) and its ability to manage the transition (level of anticipation and strategy).

The economic player's potential sensitivity to the transition challenge depends on how much pressure it is under. This, in turn, depends on the extent to which it operates independently of the measures it puts in place. It is a measure of the extent of the potential positive or negative impact of the energy transition for the economic player, which can be described as a combination of two factors: the sector impact (the sector's carbon intensity) and how committed the country is to reducing its greenhouse gas emissions.

The ability to manage the transition challenge determines whether or not the economic player has the right strategy and has taken the right measures to enable it to gain from the energy transition. It seems to us that this level of "maturity" should be assessed relative to the business sector, across all geographical locations.

A medium-term transition risk index has therefore been calculated since 2017 for the Bank's corporate client groups using a combination of three factors:

- the extent to which the issues will impact financing in the sector, as calculated by the P9XCA methodology adopting an issue-based approach;
- the importance the country places on reducing greenhouse gas emissions such as the Intended Nationally Determined Contributions (INDC);
- the maturity of the client when faced with climate challenges and its ability to adapt, as evaluated by a non financial agency or estimated on the geographic average.

For each client group, the transition risk index is calculated by adding together these three factors. The index is positive when the counterparty demonstrates above average preparedness and is negative if it does not. The more the client stands out from its peers, the more the sector is considered to be at stake, and the more the country has committed to a rapid energy transition, the higher the absolute value of the index.

Thus, a player in the Energy or Transport sectors in a country committed to significantly lowering emissions will have more to gain or lose than a player in a sector which is less affected in a country with lower greenhouse gas reduction demands. The extent to which this actor is affected will depend on its ability to adapt its strategy and economic model to the new situation.

Reducing climate risks

The CSR sector policies are the first line tool for managing environmental and social risks, particularly the transitional climate risk. These policies cover the macrosectors of energy and transport, which account for over 80% of the carbon footprint caused by our financing. In particular, the policies on fossil fuels do not usually include transactions relating to activities which seem the least compatible with the developments expected in light of the energy transition and thus potentially the most risky as regards the transitional climate risk.

The transitional risk index completes this approach by making it possible to identify clients for which additional analyses seem necessary in view of their exposure to the transition risk and management of this risk. This approach applies to all sectors and all countries.

SIGNIFICANT EVENTS IN 2021

Definition of an action plan reflecting changes in risks

In 2021, Crédit Agricole CIB evaluated its system for assessing and managing environmental and climate risks in light of the recommendations published by the European Central Bank in November 2020. This analysis highlighted areas for improvement and resulted in the definition of an action plan.

Crédit Agricole CIB has adopted a pragmatic approach involving making adjustments to its actions based on the intensity of environmental risks projected over the time horizon of the activities of Crédit Agricole CIB that generate these risks. In particular, Crédit Agricole CIB has selected pilot sectors and regions for which the metrics previously developed (see below) have been deployed at the portfolio level at meetings of the Strategy and Portfolio Committee.

3.3. PROMOTING CLIMATE SMART OBJECTIVES

Crédit Agricole CIB actively contributes to meeting this objective:

- by developing its financing of climate-friendly projects and green bond projects, with a view to doubling the size of its Green Bonds portfolio between 2019 and 2022;
- and to seek relevant partnerships.

Project finance

Financing renewable energies is an integral part of Crédit Agricole CIB's strategy, who is one of the first providers in financing those projects. The Bank first entered this sector in 1997 by financing the first wind farms, and in 2008 it financed a solar energy project in Spain. The project funding business line has financed in total more than 46.800 MW of installed wind farm capacity and over 18.600 MW of installed solar panel capacity.

Green Bonds, Green Loans, Sustainability-Linked Bonds, Sustainability-Linked Loans

Green Bonds have been instrumental in steering the bonds markets towards climate change financing and helped to create a link between the market products and the infrastructures required for the energy transition. Investors are given precise information on the projects financed by these bonds and their social impacts and environmental benefits. A growing number of investor clients value this information and the additional commitment by issuers.

Green Loans have developed along the same principles of transparency and the link between the financial income/financial products and the assets required for the energy transition.

Sustainability-Linked Bonds and Sustainability-Linked Loans are financial products whose cost is indexed against the issuer's environmental performance. In 2021, Crédit Agricole CIB also consolidated its presence in other financial products such as green securitisations and sustainable derivatives.

Committed to the development of climate finance since 2010, with its own dedicated Sustainable Banking team, Crédit Agricole CIB has confirmed its leading position as arranger on the Green Bonds, Social Bonds and Sustainability Bonds market worldwide and helps its clients structure ambitious and innovative environmental transactions.

In 2021 Crédit Agricole CIB was involved in the following transactions:

- The European Commission's Green Bond NextGenerationEU: Crédit Agricole CIB acted as co-lead manager of this first historic bond issue. This is the world's largest green bond issue, which supports the European Union's determination to achieve climate neutrality by 2050 (€12 billion, 15-year maturity).
- Fleury Michon's sustainable securitisation programme: Crédit Agricole supported Fleury Michon in setting up its securitisation programme, the financing cost of which is indexed to its non-financial performance (with indicators on workplace safety, the energy transition and health/nutrition). As a result of this transaction, it became the first agri-food company in Europe to make the financing margin of a securitisation agreement conditional on the achievement of multi-year CSR targets.
- The sustainability-linked derivative transaction for CEMEX: in parallel with the arrangement of a $3.35 billion sustainability-linked loan, Crédit Agricole CIB participated in a euro cross-currency swap for CEMEX, using the same indicators and objectives set out in the sustainability-linked framework that were used for the bond issue (including, a net reduction in CO_2 emissions, use of green energy to produce cement). This swap is one of the leading sustainability-linked swaps in Latin America.
- Ford's inaugural sustainability-linked loan: Crédit Agricole CIB structured the ESG aspects of the transaction (reduction of CO_2 emissions in production and emitted by the type of vehicles built), use of electricity from eligible production and supported Ford in this transaction, which is the first of its kind for a US car manufacturer. This transaction makes Ford one of the largest sustainability-linked loan borrowers on the market ($15.5 billion in total on loans with maturity of between three and five years).

2021 also saw major regulatory changes, notably with the publication of the first EU Taxonomy delegated acts as part of the European Commission's Action Plan for Sustainable Finance aimed at supporting the growth of responsible financing, including the Green Bonds market. The head of Crédit Agricole CIB's Sustainable Banking team was actively involved in the preparatory work of the Technical Expert Group (TEG) on Taxonomy. Moreover, the European Commission has published the EU Green Bond Standards usability guide, and the Sustainable Finance Disclosure Regulation (SFDR) on sustainability-related disclosures in the financial services sector has entered into force.

Finally, Crédit Agricole CIB remains committed to governance of the Green Bond, Social Bond and Sustainability Bond markets. The Bank is a founding member of the Green Bond Principles and an active member of the Executive Committee of this financial market initiative. The Bank is also behind the Social Bond Principles, the governance of which has been incorporated into that of the Green Bond Principles.

Liquidity green supporting factor

To support its business lines in this area, Crédit Agricole CIB enables climate change projects to benefit from more favourable internal costs for accessing funds. This makes it possible to offer attractive conditions to investors, thus increasing the amount of responsible finance. This favourable internal cost of liquidity, previously offered only on medium- and long-term financings, is now also applied to short-term loans.

Successfully applied for many years within Crédit Agricole CIB, it has now been extended to other Crédit Agricole Group entities.

Indosuez Wealth Management

After the launch in November 2019 of the Indosuez Objectif Terre international equity fund (classified as an Article 9 fund under the SFDR regulation), which offers investments in securities of companies involved in tackling global warming and protecting natural resources, Indosuez Wealth Management is continuing to roll out its responsible offering across all asset classes. ESG criteria are now integrated into its various support models (Advisory/Discretionary Management), its processes for developing and selecting financial products (direct securities, investment funds, structured products, private equity), as well as its credit approval policy.

As such, Indosuez Wealth Management now offers its clients and wealthy clients of the Crédit Agricole Regional Banks management guidance on environmental and societal issues.

Indosuez's range of structured products has also been expanded with a number of green products mainly issued by Crédit Agricole CIB and a green Structured Product mandate. For example, CFM Indosuez Wealth Management, in collaboration with Crédit Agricole CIB, launched an innovative solidarity-based finance offering, CFM Indosuez Océano, acclaimed by 81 clients and that includes a €171,000 donation to the Oceanographic Institute of Monaco, a key player in the protection of the oceans and a partner of the bank.

Finally, ESG criteria are incorporated into the selection of Private Equity fund managers and are now used in the management processes.

Since the end of 2021, the periodic portfolio statements sent to clients have been supplemented by ESG ratings produced by Amundi for all directly-held equities and bonds in its investment universe.

It should be noted that, at the 2021 WealthBriefing Asia Greater China Awards, Indosuez Wealth Management was named best bank for its ESG offering and best bank for sustainable and responsible investments.

SIGNIFICANT EVENTS IN 2021

The Transition Score

The work on creating a climate transition score for clients resulted in a second version with sector-specific adaptations for counterparties monitored by major providers of non-financial data.

The Transition Score, which is a tool that promotes dialogue based on objective quantitative data, has been designed to help to support our clients in their decarbonisation trajectory.

3.4. IMPROVING OUR CLIMATE PERFORMANCE

Since 2011, in addition to the standard greenhouse gas (GHG) calculations shown in the "Limiting our direct environmental footprint" section, an estimation of the Bank's financing and investment carbon footprint is now in place, using the P9XCA methodology.

This calculation showed an indirect carbon footprint about one thousand times higher than the total operating emissions estimated for Crédit Agricole CIB, reflecting the carbon intensity of activities financed and corresponding to the Bank's active role in the financing of the world economy.

The order of magnitude, on the basis of the amounts outstanding at 31 December 2021, was 60 to 65 Mt equivalent of CO_2, i.e. a carbon intensity of less than 250 t of CO_2 per million euros of financing, less than in 2020.

The CSR sector policies and the transition risk index help both reduce the climate risks of Crédit Agricole CIB (see above) and improve climate related results. The transition risk index makes it possible to develop a generalised consideration of this matter across all sectors and countries. Reflecting the positioning of each client as regards the energy transition, this approach appears to be both more precise and more relevant than one that is only based on successive sector-based exclusions.

The good performances achieved in climate finance reflect Crédit Agricole CIB's positive action in this area:

- In terms of number of loans, renewable energy represented over 84% of electricity generation project finance in 2021.
- In 2021, Crédit Agricole CIB acted as bookrunner on €28.3 billion of responsible bond issues for its major clients. The Bank is regularly recognised by the IFR, the Banker and Global Capital magazine for its role in the sustainable finance market, as well as the transactions in which it participates.
- The exposure of the financing portfolio to the coal sector has been calculated since 2019 by taking into account both direct financing of carbon assets and indirect exposure calculated on client turnover related to carbon using the data available to us. Decreasing since 2019, this exposure stood at less than €350 million at the end of 2021, or less than 0.1% of Crédit Agricole CIB's total exposures.

3.5. REPORTING ON OUR CLIMATE ACTION

Financial institutions, particularly in the private sector, face a major dilemma regarding the disclosure of their actions. On the one hand, they are bound by a duty of confidentiality towards their clients. On the other hand, public interest groups continue to demand greater transparency and comparability. Other major hindrances to accurate reporting of actions performed are the large numbers of clients and transactions, the low relevance of international economic classifications to climate issues and the wide range of bank loans.

Crédit Agricole CIB is nevertheless making major efforts in terms of transparency by publishing its environmental and social evaluation and exclusion criteria in its sector wide CSR policies and presenting its climate risk assessment approach and tools. In a spirit of Corporate Social Responsibility, this transparent approach meets the recommendations of TCFD and the requirements of Article 173 of the law on energy transition for green growth.

Crédit Agricole CIB encourages its clients to also engage in this transparency approach. This is embodied in the Equator Principles, which contain an obligation for clients to publish certain information. This is also true of the Green Bond Principles and Social Bond Principles, which aim to increase transparency on these market by encouraging issuers to regularly publish their reporting on fund allocation and on environmental and social impact measures for financed projects.

SIGNIFICANT EVENTS IN 2021

Steering the Bank's carbon trajectory

In 2021, Crédit Agricole CIB carried out initial work on defining carbon metrics with a view to steering sectoral trajectories. Begun in the oil and gas sector, this work will be extended in 2022 to other sectors with a high carbon footprint (air and maritime transport, automotive industry, construction, steel production, etc.).

4. HELPING OUR CLIENTS TO MEET THEIR SOCIAL, ENVIRONMENTAL AND SOLIDARITY RELATED CHALLENGES

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

- **offering dedicated funds to finance environmental projects : the Green and Social notes;**
- **advising our clients on social and environmental projects;**
- **promoting Socially Responsible Investment in Wealth Management;**
- **assessing and managing the risks inherent in the environmental and social impacts of our financing.**

4.1. OFFERING DEDICATED FUNDS TO FINANCE ENVIRONMENTAL AND SOCIAL PROJECTS: GREEN AND SOCIAL NOTES

Concept - Description

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

In 2018, Crédit Agricole put in place a Green Bond Framework to serve as a common framework for all the Group's issuing entities, including Crédit Agricole CIB, for their respective Green Bond and Green Note issues. In November 2020, Crédit Agricole published a Group Social Bond Framework covering all the Group's issuing entities, including Crédit Agricole CIB. This Framework allowed Crédit Agricole S.A. to successfully launch its inaugural €1 billion Social Bond issue on 2 December 2020.

For its Green and Social Notes, Crédit Agricole CIB has followed the principles laid down by the Green and Social Bond Principles which are voluntary principles for the formulation of Green and Social Bonds and allowed to guide the market development. The Green and Social Bond Principles are offered by the major green bond and social bond arranging banks, including Crédit Agricole CIB.

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

- use of the funds;
- project assessment and selection;
- funds monitoring;
- reporting.

The implementation of the Green Bond Principles is described on the Bank's website (www.ca-cib.com). Second opinion

Crédit Agricole CIB's "Green and Social Notes" issued under the Group's Green and Social Bond Framework benefit from a second opinion from the extra-financial rating agency V.E (Vigeo Eiris). V.E's experts approved the relevance and soundness of the Group's Green and Social Bond Frameworks, the methodology used to select the projects to be included in the green and social portfolio as well as its alignment with the Green and Social Bond Principles.

Inventory

GREEN NOTES OUTSTANDINGS

At 31 December 2021, the amount outstanding of Green Notes and similar debt products issued by Crédit Agricole CIB enabling the financing of green loans according to the eligibility criteria of the Group's Green Bond Framework, was €3.912 billion.

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
14/06/2013	18	EUR	10.0	10.0
27/04/2016	15	EUR	10.0	10.0
29/04/2016	19	EUR	61.0	61.0
09/09/2016	11	EUR	12.0	12.0
18/11/2016	11	EUR	5.0	5.0
29/11/2016	11	EUR	5.0	5.0
16/12/2016	11	EUR	10.0	10.0
29/06/2017	5	IDR	16,850.0	1.0
21/11/2017	5	USD	88.0	77.4
21/06/2018	7	SEK	13.0	1.3
11/07/2018	5	EUR	2.7	2.7
27/09/2018	5	SEK	31.0	3.0
28/09/2018	5	GBP	4.5	5.3
31/10/2018	7	USD	7.1	6.2
01/11/2018	4	IDR	20,000.0	1.2
23/11/2018	5	SEK	10.0	1.0
05/12/2018	7	SEK	2.0	0.2
11/12/2018	12	EUR	3.8	3.8
18/12/2018	5	SEK	24.1	2.3
20/12/2018	5	USD	16.3	14.3
20/12/2018	5	AUD	47.7	30.5
21/12/2018	7	SEK	30.0	2.9
27/12/2018	12	EUR	85.0	85.0
09/01/2019	4	PLN	40.2	8.8
22/01/2019	12	EUR	3.8	3.8
13/02/2019	6	SEK	10.8	1.1
19/02/2019	5	AUD	83.6	53.4
19/02/2019	5	NZD	53.1	31.9
21/02/2019	4	IDR	19,000.0	1.2
26/02/2019	3	INR	285.4	3.4
19/03/2019	15	EUR	75.0	75.0
21/03/2019	6	SEK	8.4	0.8
27/03/2019	4	PLN	27.5	6.0
23/04/2019	12	EUR	5.0	5.0
25/04/2019	12	EUR	209.5	209.5
06/05/2019	7	SEK	10.0	1.0
07/05/2019	6	SEK	10.9	1.1
20/06/2019	6	EUR	1.1	1.1
04/07/2019	12	EUR	30.0	30.0
19/07/2019	3	PLN	25.5	5.5
25/07/2019	5	JPY	100.0	0.8
30/07/2019	5	TRY	11.6	0.8
07/08/2019	5	ZAR	20.0	1.1
08/08/2019	5	MXN	17.0	0.7
13/09/2019	5	EUR	0.3	0.3
13/09/2019	5	EUR	0.8	0.8
03/10/2019	5	EUR	0.0	0.0
08/10/2019	5	EUR	0.0	0.0
10/10/2019	3	USD	3.0	2.6
31/10/2019	7	EUR	0.8	0.8
31/10/2019	10	EUR	0.5	0.5
31/10/2019	10	EUR	0.3	0.3
04/11/2019	4	EUR	26.1	26.1
14/11/2019	6	TRY	7.9	0.5

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
14/11/2019	6	TRY	8.4	0.6
15/11/2019	10	EUR	2.0	2.0
20/11/2019	5	EUR	0.3	0.3
20/11/2019	8	EUR	2.5	2.5
20/11/2019	10	EUR	0.5	0.5
20/11/2019	10	EUR	0.5	0.5
25/11/2019	10	EUR	0.5	0.5
26/11/2019	5	SEK	10.0	1.0
05/12/2019	3	USD	9.0	7.9
10/12/2019	3	EUR	1.3	1.3
11/12/2019	3	USD	4.5	4.0
12/12/2019	8	TRY	5.4	0.4
12/12/2019	10	TRY	21.2	1.4
12/12/2019	15	ZAR	58.0	3.2
12/12/2019	15	AUD	25.0	16.0
13/12/2019	5	EUR	0.5	0.5
19/12/2019	7	EUR	0.8	0.8
20/12/2019	7	EUR	0.6	0.6
23/12/2019	5	EUR	0.5	0.5
27/12/2019	4	MXN	61.4	2.6
27/12/2019	3	USD	0.9	0.8
27/12/2019	3	USD	0.5	0.4
06/01/2020	8	EUR	1.0	1.0
20/01/2020	5	EUR	1.4	1.4
21/01/2020	3	USD	2.2	1.9
24/01/2020	8	EUR	5.1	5.1
24/01/2020	8	EUR	2.0	2.0
27/01/2020	3	USD	1.5	1.3
28/01/2020	5	EUR	1.0	1.0
07/02/2020	5	EUR	0.5	0.5
07/02/2020	3	USD	1.0	0.9
10/02/2020	8	EUR	2.0	2.0
13/02/2020	5	ZAR	25.0	1.4
13/02/2020	7	TRY	7.4	0.5
13/02/2020	15	ZAR	56.5	3.1
14/02/2020	5	EUR	4.7	4.7
14/02/2020	6	EUR	0.2	0.2
18/02/2020	3	USD	10.3	9.1
19/02/2020	4	ZAR	25.0	1.4
20/02/2020	5	EUR	0.5	0.5
24/02/2020	5	EUR	10.6	10.6
24/02/2020	3	EUR	2.0	2.0
24/02/2020	3	USD	0.6	0.5
24/02/2020	3	USD	1.4	1.3
25/02/2020	3	USD	0.8	0.7
25/02/2020	5	USD	0.3	0.2
26/02/2020	5	USD	1.1	1.0
27/02/2020	5	EUR	0.7	0.7
27/02/2020	3	USD	0.1	0.0
27/02/2020	3	USD	5.2	4.6
27/02/2020	3	USD	1.4	1.3
27/02/2020	2	USD	0.2	0.2
28/02/2020	5	EUR	5.0	5.0
28/02/2020	3	USD	6.5	5.7
02/03/2020	3	EUR	2.3	2.3
02/03/2020	5	EUR	2.1	2.1
02/03/2020	5	EUR	0.5	0.5
02/03/2020	5	EUR	3.5	3.5
02/03/2020	3	INR	288.6	3.4
03/03/2020	3	USD	1.0	0.9
04/03/2020	5	EUR	2.8	2.8

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
05/03/2020	7	TRY	8.4	0.6
05/03/2020	15	ZAR	37.9	2.1
06/03/2020	10	EUR	3.1	3.1
06/03/2020	10	EUR	3.2	3.2
06/03/2020	3	EUR	0.5	0.5
09/03/2020	5	ZAR	25.0	1.4
11/03/2020	10	EUR	3.0	3.0
11/03/2020	3	EUR	0.3	0.3
13/03/2020	10	EUR	2.0	2.0
13/03/2020	10	EUR	2.0	2.0
16/03/2020	10	EUR	1.0	1.0
18/03/2020	5	IDR	33,150.0	2.0
18/03/2020	3	TRY	10.0	0.7
19/03/2020	5	EUR	0.5	0.5
23/03/2020	6	TRY	9.8	0.6
23/03/2020	15	ZAR	47.4	2.6
27/03/2020	5	EUR	1.0	1.0
03/04/2020	10	EUR	2.0	2.0
07/05/2020	6	EUR	1.3	1.3
14/05/2020	12	EUR	8.0	8.0
04/06/2020	10	USD	10.0	8.8
05/06/2020	10	USD	10.0	8.8
09/06/2020	5	JPY	200.0	1.5
09/06/2020	10	JPY	100.0	0.8
10/06/2020	3	USD	0.5	0.4
11/06/2020	8	EUR	28.2	28.2
15/06/2020	6	EUR	3.3	3.3
17/06/2020	3	USD	0.9	0.8
18/06/2020	10	ZAR	250.0	13.8
25/06/2020	5	USD	3.9	3.4
26/06/2020	5	EUR	7.5	7.5
21/07/2020	6	TRY	10.1	0.7
24/07/2020	8	EUR	1.3	1.3
27/07/2020	5	USD	7.0	6.1
27/07/2020	5	AUD	20.3	13.0
05/08/2020	6	TRY	26.3	1.7
25/08/2020	5	USD	1.0	0.9
31/08/2020	3	EUR	1.6	1.6
31/08/2020	3	USD	1.3	1.1
04/09/2020	8	EUR	31.0	31.0
04/09/2020	8	EUR	20.0	20.0
04/09/2020	5	EUR	14.6	14.6
04/09/2020	5	EUR	1.2	1.2
15/09/2020	10	USD	112.0	98.5
02/10/2020	5	EUR	0.4	0.4
07/10/2020	5	PLN	19.3	4.2
16/10/2020	3	USD	0.5	0.4
21/10/2020	1	USD	1.6	1.4
22/10/2020	10	USD	1.8	1.6
22/10/2020	6	GBP	1.0	1.2
26/10/2020	3	INR	106.0	1.3
26/10/2020	2	USD	0.6	0.5
27/10/2020	5	TRY	9.4	0.6
27/10/2020	2	TRY	19.9	1.3
28/10/2020	5	USD	1.0	0.9
29/10/2020	2	EUR	0.7	0.7
03/11/2020	1	EUR	0.5	0.5
27/11/2020	3	INR	189.1	2.2
03/12/2020	5	USD	2.7	2.4
03/12/2020	10	AUD	3.8	2.4
07/12/2020	5	EUR	14.2	14.2

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
09/12/2020	10	EUR	0.2	0.2
14/12/2020	10	EUR	7.9	7.9
17/12/2020	5	AUD	3.8	2.4
17/12/2020	10	AUD	3.8	2.4
04/01/2021	5	EUR	17.3	17.3
04/01/2021	1	USD	0.6	0.5
06/01/2021	10	EUR	1.9	1.9
07/01/2021	6	EUR	54.0	54.0
13/01/2021	5	SEK	30.0	2.9
14/01/2021	8	EUR	86.2	86.2
14/01/2021	8	EUR	6.4	6.4
14/01/2021	10	JPY	1,500.0	11.5
14/01/2021	5	TRY	8.0	0.5
14/01/2021	8	TRY	18.5	1.2
21/01/2021	5	EUR	1.0	1.0
22/01/2021	4	USD	2.9	2.5
25/01/2021	4	JPY	425.0	3.2
27/01/2021	5	EUR	1.0	1.0
27/01/2021	1	JPY	3,556.0	27.2
27/01/2021	3	JPY	5,538.0	42.3
29/01/2021	4	JPY	1,329.0	10.2
02/02/2021	7	USD	12.2	10.8
03/02/2021	5	USD	150.0	131.9
05/02/2021	8	EUR	1.0	1.0
08/02/2021	10	EUR	15.6	15.6
09/02/2021	7	USD	7.9	6.9
10/02/2021	5	TRY	16.5	1.1
12/02/2021	5	EUR	0.5	0.5
12/02/2021	6	GBP	2.0	2.4
12/02/2021	6	USD	2.5	2.2
16/02/2021	4	JPY	1,501.0	11.5
17/02/2021	12	EUR	5.0	5.0
17/02/2021	1	USD	0.9	0.8
22/02/2021	10	EUR	7.5	7.5
22/02/2021	10	EUR	7.5	7.5
22/02/2021	2	EUR	1.3	1.3
23/02/2021	5	EUR	1.7	1.7
23/02/2021	6	EUR	1.2	1.2
25/02/2021	2	JPY	5,121.0	39.1
26/02/2021	3	USD	2.4	2.1
01/03/2021	8	EUR	13.1	13.1
01/03/2021	4	JPY	1,033.0	7.9
02/03/2021	4	USD	2.1	1.8
02/03/2021	7	USD	2.4	2.1
02/03/2021	5	JPY	100.0	0.8
02/03/2021	10	TRY	43.0	2.8
04/03/2021	15	USD	40.0	35.2
05/03/2021	10	EUR	2.0	2.0
08/03/2021	5	USD	10.0	8.8
08/03/2021	6	JPY	300.0	2.3
08/03/2021	6	TRY	7.7	0.5
08/03/2021	10	TRY	22.0	1.5
09/03/2021	5	EUR	1.1	1.1
11/03/2021	3	USD	0.3	0.2
12/03/2021	6	USD	0.9	0.8
12/03/2021	6	GBP	1.2	1.4
15/03/2021	5	EUR	14.9	14.9
17/03/2021	5	EUR	49.8	49.8
18/03/2021	6	USD	1.0	0.9
18/03/2021	3	EUR	0.6	0.6
19/03/2021	5	EUR	0.5	0.5

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
19/03/2021	3	JPY	1,107.0	8.5
19/03/2021	1	JPY	1,596.0	12.2
19/03/2021	3	JPY	4,709.0	36.0
22/03/2021	5	EUR	0.9	0.9
23/03/2021	7	USD	50.0	44.0
23/03/2021	6	TRY	7.5	0.5
24/03/2021	10	EUR	4.0	4.0
24/03/2021	5	EUR	5.2	5.2
26/03/2021	15	AUD	12.0	7.7
30/03/2021	7	USD	0.7	0.6
31/03/2021	10	EUR	2.0	2.0
06/04/2021	8	EUR	46.9	46.9
06/04/2021	12	EUR	3.0	3.0
06/04/2021	6	EUR	0.5	0.5
06/04/2021	1	EUR	0.6	0.6
06/04/2021	5	EUR	0.8	0.8
12/04/2021	7	EUR	54.4	54.4
12/04/2021	10	EUR	57.9	57.9
13/04/2021	6	GBP	0.1	0.1
14/04/2021	8	EUR	97.5	97.5
14/04/2021	6	GBP	2.0	2.4
14/04/2021	6	USD	1.2	1.0
14/04/2021	7	USD	1.0	0.9
15/04/2021	5	JPY	100.0	0.8
20/04/2021	5	EUR	0.5	0.5
21/04/2021	5	USD	1.0	0.9
21/04/2021	5	USD	5.2	4.6
22/04/2021	8	EUR	53.1	53.1
26/04/2021	15	EUR	0.5	0.5
28/04/2021	10	EUR	2.0	2.0
28/04/2021	10	EUR	2.0	2.0
28/04/2021	3	EUR	24.7	24.7
03/05/2021	8	EUR	7.9	7.9
04/05/2021	7	EUR	2.8	2.8
04/05/2021	5	PLN	34.7	7.6
05/05/2021	10	EUR	1.6	1.6
05/05/2021	5	EUR	0.6	0.6
05/05/2021	10,0	EUR	4.0	4.0
06/05/2021	6	EUR	4.3	4.3
07/05/2021	8	EUR	36.0	36.0
07/05/2021	8	EUR	40.0	40.0
07/05/2021	5	EUR	17.4	17.4
07/05/2021	5	SEK	4.2	0.4
07/05/2021	6	GBP	0.1	0.1
10/05/2021	2	EUR	0.8	0.8
10/05/2021	1	USD	1.7	1.5
14/05/2021	6	GBP	1.9	2.3
14/05/2021	6	USD	2.4	2.1
19/05/2021	10	EUR	2.0	2.0
19/05/2021	8	EUR	0.5	0.5
25/05/2021	5	JPY	50.0	0.4
27/05/2021	2	JPY	2,935.0	22.4
27/05/2021	4	JPY	805.0	6.1
28/05/2021	10	EUR	38.3	38.3
28/05/2021	10	EUR	0.9	0.9
02/06/2021	10	EUR	2.0	2.0
03/06/2021	12	EUR	1.0	1.0
04/06/2021	5	EUR	0.3	0.3
04/06/2021	5	EUR	0.4	0.4
09/06/2021	3	USD	2.1	1.8
09/06/2021	3	USD	1.4	1.2

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
10/06/2021	4	JPY	1,336.0	10.2
10/06/2021	7	USD	0.5	0.4
11/06/2021	6	GBP	4.1	4.8
11/06/2021	6	USD	2.2	2.0
14/06/2021	6	GBP	0.3	0.3
15/06/2021	6	EUR	2.0	2.0
15/06/2021	8	EUR	89.8	89.8
17/06/2021	5	TRY	13.5	0.9
17/06/2021	5	TRY	25.0	1.7
17/06/2021	5	EUR	1.7	1.7
18/06/2021	5	EUR	0.8	0.8
18/06/2021	10	EUR	2.0	2.0
18/06/2021	5	USD	6.0	5.3
18/06/2021	5	USD	8.5	7.5
18/06/2021	5	USD	1.8	1.6
18/06/2021	3	EUR	3.3	3.3
18/06/2021	5	USD	13.8	12.1
21/06/2021	5	EUR	7.0	7.0
23/06/2021	5,0	EUR	1.0	1.0
23/06/2021	5	EUR	0.9	0.9
24/06/2021	3	EUR	2.5	2.5
24/06/2021	1	USD	2.1	1.8
29/06/2021	8	EUR	16.5	16.5
29/06/2021	2	JPY	1,314.0	10.0
29/06/2021	2	JPY	4,410.0	33.7
29/06/2021	2	USD	1.5	1.3
30/06/2021	5	EUR	0.3	0.3
30/06/2021	5	EUR	0.4	0.4
30/06/2021	3	USD	2.4	2.1
01/07/2021	1	EUR	2.1	2.1
02/07/2021	6	EUR	5.0	5.0
02/07/2021	6	SEK	18.0	1.7
05/07/2021	3	EUR	2.3	2.3
05/07/2021	3	EUR	1.5	1.5
06/07/2021	8	EUR	55.8	55.8
06/07/2021	3	USD	4.3	3.8
06/07/2021	2	EUR	2.0	2.0
07/07/2021	10	EUR	2.0	2.0
07/07/2021	3	USD	2.4	2.1
08/07/2021	12	EUR	0.5	0.5
08/07/2021	4	JPY	725.0	5.5
08/07/2021	3	EUR	4.3	4.3
09/07/2021	10	EUR	0.7	0.7
09/07/2021	6,0	GBP	0.2	0.2
09/07/2021	6	USD	0.5	0.4
09/07/2021	6,0	USD	1.2	1.1
09/07/2021	6,0	GBP	2.2	2.7
12/07/2021	1	EUR	1.7	1.7
13/07/2021	5,0	TRY	10.5	0.7
13/07/2021	3	TRY	16.5	1.1
13/07/2021	5	JPY	1,000.0	7.6
13/07/2021	2	USD	1.5	1.3
15/07/2021	6	EUR	0.8	0.8
16/07/2021	3	EUR	4.0	4.0
19/07/2021	2	USD	2.5	2.2
20/07/2021	5	PLN	15.0	3.3
20/07/2021	5	PLN	44.5	9.7
21/07/2021	4	USD	8.0	7.0
21/07/2021	2	EUR	1.7	1.7
22/07/2021	4	EUR	0.6	0.6
22/07/2021	5	USD	10.9	9.6

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
23/07/2021	2	EUR	1.5	1.5
26/07/2021	3	JPY	200.0	1.5
26/07/2021	5	JPY	500.0	3.8
27/07/2021	4	JPY	582.0	4.4
29/07/2021	4	EUR	1.5	1.5
29/07/2021	2,0	JPY	3,423.0	26.1
29/07/2021	4	JPY	3,760.0	28.7
29/07/2021	3	EUR	2.0	2.0
29/07/2021	3	EUR	2.0	2.0
30/07/2021	6	EUR	0.8	0.8
30/07/2021	5	EUR	0.6	0.6
02/08/2021	5	USD	2.5	2.2
02/08/2021	5	EUR	8.4	8.4
03/08/2021	10	EUR	2.0	2.0
03/08/2021	1,0	JPY	300.0	2.3
05/08/2021	5	EUR	0.6	0.6
05/08/2021	3	USD	1.8	1.6
05/08/2021	3	USD	1.6	1.4
06/08/2021	4,0	EUR	1.0	1.0
06/08/2021	6	EUR	0.6	0.6
06/08/2021	10	EUR	3.0	3.0
10/08/2021	10	EUR	3.0	3.0
13/08/2021	7	EUR	3.0	3.0
13/08/2021	10	EUR	3.0	3.0
13/08/2021	6,0	GBP	3.0	3.5
13/08/2021	6,0	USD	2.0	1.8
19/08/2021	2,0	EUR	2.2	2.2
02/09/2021	10	EUR	3.0	3.0
02/09/2021	10	EUR	2.0	2.0
03/09/2021	5	EUR	3.3	3.3
14/09/2021	5	PLN	12.8	2.8
14/09/2021	5	PLN	38.8	8.4
14/09/2021	6	GBP	4.0	4.8
14/09/2021	6	USD	4.0	3.5
15/09/2021	8	EUR	150.0	150.0
17/09/2021	3	USD	5.5	4.8
20/09/2021	10	EUR	2.0	2.0
21/09/2021	3	EUR	2.3	2.3
24/09/2021	4	EUR	9.6	9.6
29/09/2021	10	EUR	2.0	2.0
04/10/2021	5	EUR	9.5	9.5
04/10/2021	10	JPY	100.0	0.8
06/10/2021	8	EUR	63.3	63.3
08/10/2021	10	EUR	2.0	2.0
13/10/2021	10	EUR	3.0	3.0
13/10/2021	7	EUR	2.0	2.0
14/10/2021	6	GBP	3.0	3.6
14/10/2021	10	JPY	100.0	0.8
19/10/2021	10	EUR	1.5	1.5
19/10/2021	5	EUR	39.6	39.6
21/10/2021	6	USD	3.0	2.6
21/10/2021	6	GBP	4.0	4.8
21/10/2021	6	EUR	3.0	3.0
21/10/2021	3	EUR	1.5	1.5
22/10/2021	6	EUR	1.7	1.7
22/10/2021	5	EUR	0.6	0.6
28/10/2021	4	JPY	2,481.0	19.0
02/11/2021	7	GBP	5.0	5.9
03/11/2021	6	USD	3.0	2.6
03/11/2021	6	GBP	3.0	3.6
04/11/2021	5	TRY	17.5	1.2

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
04/11/2021	3	TRY	15.5	1.0
05/11/2021	6	EUR	2.8	2.8
05/11/2021	4	BRL	5.0	0.8
08/11/2021	7	EUR	3.0	3.0
09/11/2021	3	USD	1.7	1.5
15/11/2021	6	EUR	5.0	5.0
15/11/2021	5	EUR	4.5	4.5
15/11/2021	5	USD	1.7	1.5
16/11/2021	5	PLN	8.7	1.9
16/11/2021	5	PLN	27.2	5.9
19/11/2021	9	EUR	3.0	3.0
19/11/2021	5	USD	2.2	1.9
26/11/2021	8	EUR	8.4	8.4
26/11/2021	8	EUR	6.4	6.4
26/11/2021	5	EUR	0.8	0.8
26/11/2021	6	USD	3.0	2.6
26/11/2021	6	GBP	3.0	3.6
26/11/2021	6	EUR	3.0	3.0
01/12/2021	5	EUR	30.0	30.0
13/12/2021	7	USD	50.0	44.0
17/12/2021	6	USD	3.0	2.6
17/12/2021	6	GBP	3.0	3.6
17/12/2021	6	EUR	3.0	3.0
20/12/2021	7	JPY	100.0	0.8
27/12/2021	8	EUR	100.0	100.0
27/12/2021	8	EUR	150.0	150.0
14/04/2021	8	EUR	100.00	130.00
14/04/2021	6	GBP	2.00	2.31
14/04/2021	6	USD	2.00	1.66
14/04/2021	7	USD	1.50	1.28
15/04/2021	5	JPY	100.00	0.78
20/04/2021	5	EUR	1.50	1.50
21/04/2021	5	USD	2.00	1.68
21/04/2021	5	USD	5.23	4.40
22/04/2021	8	EUR	100.00	100.00
26/04/2021	15	EUR	0.50	0.50
27/04/2021	3	USD	2.46	2.05
28/04/2021	10	EUR	2.00	2.00
28/04/2021	10	EUR	2.00	2.00
28/04/2021	3	EUR	25.11	25.11
03/05/2021	8	EUR	30.00	30.00
04/05/2021	7	EUR	3.00	3.00
04/05/2021	5	PLN	35.00	7.70
05/05/2021	10	EUR	2.01	2.01
05/05/2021	5	EUR	0.90	0.90
05/05/2021	10	EUR	4.00	4.00
06/05/2021	6	EUR	7.00	7.00
07/05/2021	8	EUR	50.00	50.00
07/05/2021	8	EUR	50.00	70.00
07/05/2021	5	EUR	30.00	30.00
07/05/2021	5	SEK	10.00	0.98
07/05/2021	6	GBP	2.00	2.33
10/05/2021	2	EUR	1.33	1.33
10/05/2021	1	USD	2.15	1.79
14/05/2021	6	EUR	1.00	1.00
14/05/2021	6	GBP	2.00	2.35
14/05/2021	6	USD	2.50	2.13
19/05/2021	10	EUR	2.00	2.00
19/05/2021	8	EUR	0.50	0.50
20/05/2021	5	EUR	3.00	3.00
25/05/2021	5	JPY	50.00	0.38

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
27/05/2021	2	JPY	1,349.00	10.25
27/05/2021	2	JPY	2,935.00	22.30
27/05/2021	4	JPY	805.00	6.07
28/05/2021	10	EUR	40.00	60.00
28/05/2021	10	EUR	30.00	30.00
28/05/2021	2	USD	2.13	1.75
02/06/2021	10	EUR	2.00	2.00
03/06/2021	12	EUR	1.00	1.00
04/06/2021	5	EUR	0.60	0.60
04/06/2021	5	EUR	0.70	0.70
09/06/2021	3	USD	3.03	2.48
09/06/2021	3	USD	1.63	1.34
10/06/2021	4	JPY	1,336.00	10.03
10/06/2021	7	USD	1.00	0.82
11/06/2021	6	GBP	4.50	5.17
11/06/2021	6	USD	3.00	2.50
14/06/2021	6	GBP	2.00	2.33
15/06/2021	6	EUR	5.00	5.00
15/06/2021	8	EUR	130.00	130.00
17/06/2021	5	TRY	13.50	1.37
17/06/2021	5	TRY	27.00	2.74
17/06/2021	5	EUR	1.69	1.69
18/06/2021	5	EUR	1.09	1.09
18/06/2021	10	EUR	2.00	2.00
18/06/2021	5	USD	6.00	4.93
18/06/2021	5	USD	8.49	6.98
18/06/2021	5	USD	1.81	1.49
18/06/2021	3	EUR	3.28	3.28
18/06/2021	5	USD	13.80	11.33
21/06/2021	5	EUR	50.00	50.00
21/06/2021	3	EUR	4.88	4.88
22/06/2021	2	EUR	1.93	1.93
23/06/2021	5	EUR	1.00	1.00
23/06/2021	5	EUR	0.90	0.90
24/06/2021	3	EUR	2.52	2.52
24/06/2021	1	USD	2.08	1.71
24/06/2021	1	USD	1.72	1.41
25/06/2021	1	EUR	4.45	3.68
28/06/2021	2	EUR	2.40	2.40
29/06/2021	8	EUR	30.00	30.00
29/06/2021	2	JPY	1,314.00	9.83
29/06/2021	2	JPY	4,410.00	32.98
29/06/2021	2	USD	1.50	1.24
30/06/2021	5	EUR	0.64	0.64
30/06/2021	5	EUR	0.60	0.60
30/06/2021	3	USD	2.40	2.00
01/07/2021	3	EUR	3.55	3.55
01/07/2021	1	EUR	2.10	2.10
02/07/2021	5	EUR	5.50	5.50
02/07/2021	6	EUR	5.50	5.50
02/07/2021	6	SEK	30.00	2.96
05/07/2021	3	EUR	3.41	3.41
05/07/2021	3	EUR	2.28	2.28
05/07/2021	3	EUR	1.45	1.45
06/07/2021	8	EUR	100.00	100.00
06/07/2021	3	USD	4.27	3.58
06/07/2021	2	EUR	2.00	2.00
07/07/2021	10	EUR	2.00	2.00
07/07/2021	3	USD	2.38	2.00
07/07/2021	3	EUR	1.50	1.50
08/07/2021	12	EUR	0.50	0.50

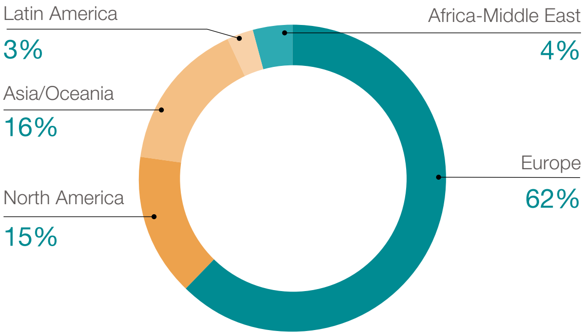
Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
08/07/2021	4	JPY	725.00	5.50
08/07/2021	3	EUR	4.30	4.30
09/07/2021	10	EUR	1.15	1.15
09/07/2021	6	GBP	2.00	2.33
09/07/2021	6	USD	2.00	1.64
09/07/2021	6	USD	3.00	2.46
09/07/2021	6	GBP	3.00	3.49
12/07/2021	3	JPY	500.00	3.81
12/07/2021	1	EUR	1.70	1.70
13/07/2021	5	TRY	10.50	1.02
13/07/2021	3	TRY	16.50	1.61
13/07/2021	5	JPY	1,000.00	7.57
13/07/2021	3	USD	1.50	1.26
13/07/2021	3	USD	2.15	1.81
13/07/2021	2	USD	1.50	1.26
15/07/2021	6	EUR	0.75	0.75
16/07/2021	3	EUR	4.01	4.01
19/07/2021	2	USD	2.53	2.14
20/07/2021	6	EUR	0.80	0.80
20/07/2021	5	PLN	27.25	5.97
20/07/2021	5	PLN	57.25	12.54
21/07/2021	4	USD	8.00	6.79
21/07/2021	2	EUR	1.74	1.74
22/07/2021	4	EUR	0.63	0.63
22/07/2021	5	USD	10.90	9.23
23/07/2021	2	EUR	1.53	1.53
26/07/2021	3	JPY	200.00	1.52
26/07/2021	5	JPY	500.00	3.83
27/07/2021	4	JPY	582.00	4.51
29/07/2021	4	EUR	1.45	1.45
29/07/2021	2	JPY	3,423.00	25.90
29/07/2021	4	JPY	3,760.00	29.11
29/07/2021	3	EUR	2.00	2.00
29/07/2021	3	EUR	2.00	2.00
30/07/2021	6	EUR	0.80	0.80
30/07/2021	5	EUR	0.60	0.60
02/08/2021	5	USD	30.00	25.48
02/08/2021	5	EUR	30.00	30.00
03/08/2021	10	EUR	2.00	2.00
03/08/2021	1	JPY	300.00	2.29
05/08/2021	5	EUR	0.60	0.60
05/08/2021	3	USD	1.83	1.55
05/08/2021	3	USD	1.55	1.32
06/08/2021	4	EUR	1.00	1.00
06/08/2021	6	EUR	0.60	0.60
06/08/2021	10	EUR	3.00	3.00
10/08/2021	10	EUR	3.00	3.00
11/08/2021	1	USD	0.75	0.63
13/08/2021	7	EUR	3.00	3.00
13/08/2021	10	EUR	3.00	3.00
13/08/2021	6	GBP	3.00	3.49
13/08/2021	6	USD	3.00	2.52
19/08/2021	2	EUR	2.17	2.17
02/09/2021	10	EUR	3.00	3.00
02/09/2021	10	EUR	2.00	2.00
03/09/2021	5	EUR	3.30	3.30
14/09/2021	5	PLN	12.75	2.82
14/09/2021	5	PLN	38.77	8.57
14/09/2021	6	GBP	4.00	4.68
14/09/2021	6	USD	4.00	3.37
15/09/2021	8	EUR	150.00	150.00

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
17/09/2021	3	USD	5.45	4.59
20/09/2021	10	EUR	2.00	2.00
21/09/2021	3	EUR	2.30	2.30
24/09/2021	4	EUR	30.00	30.00
28/09/2021	3	USD	1.67	1.41
29/09/2021	10	EUR	2.00	2.00
04/10/2021	5	EUR	30.00	30.00
04/10/2021	10	JPY	100.00	0.77
06/10/2021	8	EUR	100.00	100.00
08/10/2021	10	EUR	2.00	2.00
13/10/2021	10	EUR	3.00	3.00
13/10/2021	7	EUR	2.00	2.00
14/10/2021	6	GBP	3.00	3.49
14/10/2021	10	JPY	100.00	0.77
19/10/2021	10	EUR	1.50	1.50
19/10/2021	5	EUR	39.58	39.58
21/10/2021	6	USD	3.00	2.53
21/10/2021	6	GBP	4.00	4.66
21/10/2021	6	EUR	3.00	3.00
21/10/2021	3	EUR	1.50	1.50
22/10/2021	6	EUR	1.72	1.72
22/10/2021	5	EUR	0.60	0.60
28/10/2021	4	JPY	2,481.00	18.72
02/11/2021	7	GBP	5.00	5.93
03/11/2021	6	USD	3.00	2.54
03/11/2021	6	GBP	3.00	3.51
04/11/2021	5	TRY	17.50	1.78
04/11/2021	3	TRY	15.50	1.58
05/11/2021	6	EUR	2.80	2.80
05/11/2021	4	BRL	5.00	0.79
08/11/2021	7	EUR	3.00	3.00
09/11/2021	3	USD	1.70	1.47
15/11/2021	6	EUR	5.00	5.00
15/11/2021	5	EUR	4.50	4.50
15/11/2021	5	USD	1.72	1.48
16/11/2021	5	PLN	50.00	11.10
16/11/2021	5	PLN	50.00	11.10
19/11/2021	9	EUR	3.00	3.00
19/11/2021	5	USD	2.16	1.86
26/11/2021	8	EUR	30.00	30.00
26/11/2021	8	EUR	30.00	30.00
26/11/2021	5	EUR	0.77	0.77
26/11/2021	6	USD	3.00	2.60
26/11/2021	6	GBP	3.00	3.54
26/11/2021	6	EUR	3.00	3.00
01/12/2021	5	EUR	30.00	30.00
13/12/2021	7	USD	50.00	44.08
16/12/2021	5	SEK	50.00	4.87
17/12/2021	6	USD	3.00	2.62
17/12/2021	6	GBP	3.00	3.52
17/12/2021	6	EUR	3.00	3.00
20/12/2021	7	JPY	100.00	0.78

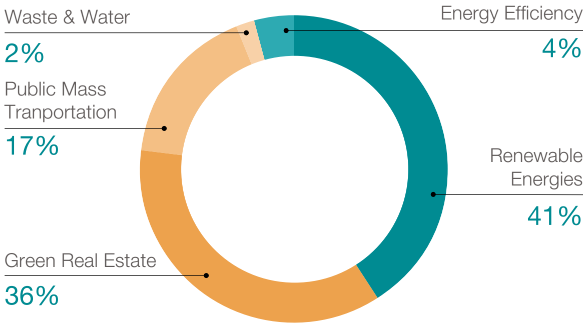
COMPOSITION OF THE GREEN NOTE PORTFOLIO

As of 31 December 2021, the breakdown of the Green Notes portfolio is as follows. It is well diversified, both geographically and sectorially, in line with Crédit Agricole CIB's conviction that the transition to a greener economy will involve numerous industrial sectors, around the world.

▶ **Geographic distribution**



▶ **Breakdown by sector**



SOCIAL NOTES OUTSTANDINGS

At 31 December 2021, the amount outstanding of Social Notes and similar debt products issued by Crédit Agricole CIB enabling the financing of social impact loans according to the eligibility criteria of the Group's Social Bond Framework, was €4.8 million (an issue of SEK 50 million with a maturity of five years). Crédit Agricole CIB's social portfolio consists of telecommunications projects in rural areas as to 47%, infrastructure projects in developing countries as to 42% and investments in public hospitals as to 12%.

4.2. ADVISING OUR CLIENTS ON SOCIAL AND ENVIRONMENTAL PROJECTS

Since 2010, the Sustainable Banking team has been supporting clients with their social or environmental projects.

As said above, Crédit Agricole CIB has thus supported, during the course of 2021, some of its clients in the financing of their environmental and/or social projects thanks to a new offer of dedicated loans: Green Loans, Sustainability-Linked Loans, Green Bonds and Sustainability-Linked Bonds. Crédit Agricole CIB extended this range of Sustainable Finance products in 2021 in order to support its clients throughout their value chain with for example the introduction of sustainable market hedging products.

In addition, Crédit Agricole CIB also supported clients on certain high-impact projects such as the Duval Group, which took out a €30 million Social Loan in October 2021 dedicated to microfinance projects (Crédit Agricole CIB acted as ESG advisor and arranger of the loan, which was fully syndicated with five Crédit Agricole Regional Banks).

4.3. RAISING OUT CLIENTS' AWARENESS OF SUSTAINABLE FINANCE

In 2021, the Sustainable Banking team organised the twelfth edition of its annual Sustainable Finance conference. It brought together major investors and issuers over three days in a remote format. This edition was attended by approximately fifty international experts and key players in ESG and Sustainable Finance (company managers, economists, regulators, etc.) and comprised 14 round table discussions and speeches. This conference was also an opportunity for issuers to hold discussions with investors at bilateral meetings (with more than 250 meetings held).

4.4. PROMOTING SOCIALLY RESPONSIBLE INVESTMENT (SRI) IN WEALTH MANAGEMENT

The Indosuez Wealth Management Group has established an action plan aimed primarily at promoting CSR and providing a complete wealth management offering. It aims at achieving the following objectives:

- the inclusion of ESG criteria in the client journey;
- the introduction of a 100% ESG advisory service;
- the creation of a socially responsible financing and investment offering;
- the enrichment of ESG ratings within client portfolios.

The work carried out has already resulted in the enhancement of the value proposition of the ESG offering, with client events and the launch of funds, structured products and green management mandates at the heart of Indosuez Wealth Management's offering.

4.5. ASSESSING AND MANAGING THE RISKS INHERENT IN THE ENVIRONMENTAL AND SOCIAL IMPACTS OF OUR FINANCING

Crédit Agricole CIB has developed a system to assess and manage the risks arising from the environmental and social impacts relating to both transactions and clients, by factoring in the main sustainable development issues, i.e. combating climate change, biodiversity protection and respect for human rights.

Consideration of sustainable development issues

CLIMATE CHANGE

The consideration of this issue is detailed in Part 3 "Integrating climate change issues".

BIODIVERSITY PROTECTION

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

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

Since 2016, Crédit Agricole CIB has been mapping the sectors and geographical regions which are most exposed to water access and pollution issues. Crédit Agricole CIB has included this criterion of analysis in its CSR scoring system described below. An artificial intelligence tool was developed in 2021 to help account managers read the documents published by clients and identify their responses to this issue.

In 2021, Crédit Agricole CIB began mapping the sectors and regions most exposed to issues associated with the loss of biodiversity: while some sectors are highly dependent on good levels of biodiversity, other sectors may have negative impacts on natural environments. Bearing that in mind, risk indices based on sectoral and geographical criteria can be calculated.

OTHER ACTIONS TO PROMOTE HUMAN RIGHTS

Crédit Agricole CIB fully endorses the values of the United Nations Global Compact, of which Crédit Agricole is a signatory. This particularly concerns human rights and labour standards. These general principles have been supplemented by a number of specific charters signed by Crédit Agricole S.A.: the Diversity Charter in 2008, the Human Rights Charter in 2009 and the Responsible Purchasing Charter in 2010.

Actions concerning employees are covered in "Developing people and the social ecosystem" and those concerning sub-contractors and suppliers are discussed in "Promoting an ethical culture".

As with climate and biodiversity matters, however, the indirect impacts involving the financed activities appear as most significant. They are assessed and managed as shown below. The Bank's CSR sector policies refer specifically to the International Labour Organisation (ILO) fundamental conventions, and the International Finance Corporation (IFC) performance standards.

Since 2016, Crédit Agricole CIB maps the sectors and geographical regions which are most exposed to risks of human rights violations in both their own operations and within their supply chains. Crédit Agricole CIB has included this criterion of analysis in its CSR scoring system described below. An artificial intelligence tool was developed in 2021 to help account managers read the documents published by clients and identify their responses to this issue.

Assessing and managing the risks arising from the environmental and social impacts of financing

The environmental and social impacts resulting from the financing activity appear to be substantially higher than the Bank's direct environmental footprint. Taking these indirect impacts into account is one of the main sustainable development challenges for Crédit Agricole CIB. The system which manages these environmental and social business risks is based on three pillars:

- applying the Equator Principles to transactions which are directly related to a project;
- CSR sector policies;
- assessment of the environmental and social aspects of the transactions.

From 2013, Crédit Agricole CIB also introduced a scoring system for all its corporate clients.

Environmental and social risks are first assessed and managed by the account manager. For project financing, account managers are backed by a network of local correspondents, who provide the necessary support in each regional structuring centre and remain in constant communication with a coordination unit. It comprises operating staff from the Project Finance business line and coordinates the practical aspects of the implementation of the Equator Principles. It manages the network of local correspondents and implements specialised training for participants.

Group Economic Research (ECO) is an integral part of Crédit Agricole S.A. and provides additional support and clarification for all types of transactions and clients by contributing its expertise on environmental and technical issues, thereby making it possible to fine-tune the analysis and identify the risks for each business sector.

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

The Equator Principles

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

The implementation of the Equator Principles is described in detail on the Bank's website.

Statistics

16 finance project loans have been signed [1] in 2021 and were ranked into category A, B and C of the International Finance Corporation. At 31 December 2021, 448 projects in the portfolio had been ranked. The classification of projects breaks down as follows:

- 36 projects classified as A, none of them in 2021;
- 351 were classified as B, 16 of them in 2021;
- and 61 projects classified as C, none of them in 2021.

The 2021 breakdown by sector and region is as follows:

	Category A	Category B	Category C
Total	**-**	**16**	**-**
Sector			
Mining	-	-	-
Infrastructure	-	5	-
Oil & Gas	-	1	-
Energy	-	10	-
O/w renewable energy	-	9	-
Other	-	-	-
Region			
North America	-	1	-
Latin America	-	3	-
Asia-Pacific	-	4	-
Europe	-	7	-
Middle East/Africa	-	1	-
Designation of countries			
Designated	-	9	-
Non-designated	-	7	-
Independent review			
Yes	-	16	-
No	-	-	-

NB: Countries classified as "Designated" are high-income OECD countries as per the World Bank indicators. Independent Review means that the environmental and social information has been reviewed by a consultant not related to the client.

At 31 December 2021, there were 28 Project-Related Corporate Loans (PRCL) in the portfolio. Four PRCLs were signed [1] in 2021 and ranked as category A, B or C, as follows:

- no projects were classified as A;
- 4 were classified as B;
- no projects were classified as C.

The sector-specific and geographic distributions are as follows:

	Category A	Category B	Category C
Total	**-**	**4**	**-**
Sector			
Mining	-	1	-
Infrastructure	-	-	-
Oil & Gas	-	-	-
Energy	-	-	-
Other	-	3	-
Region			
North America	-	-	-
Latin America	-	1	
Asia-Pacific	-	-	-
Europe/Middle East/Africa	-	3	-
Designation of countries			
Designated	-	3	-
Non-designated	-	1	-
Independent review			
Yes	-	4	-
No	-	-	-

CSR sector policies

The CSR sector policies published by Crédit Agricole CIB and Crédit Agricole Group explain the social and environmental criteria included in the Bank's financing policies. These criteria mainly reflect the issues of concern to civil society that appear to be the most relevant for a corporate and investment bank, particularly those relating to human rights, fighting climate change and preserving biodiversity. The goal of the CSR sector policies is therefore to clarify the non-financial principles and rules relating to financing and investments in the corresponding sectors, in accordance with the Crédit Agricole S.A. Group policy.

The current sector policies and their implementation are described on the website.

Sensitivity analysis

Crédit Agricole CIB has been assessing the environmental or social sensitivity of transactions since 2009. It reflects either questions on managing environmental or social impacts that are deemed critical, or controversy related to transactions or clients.

(1) In accordance with the agreement entered into by the Equator Principles association (project closed).

Client CSR scoring

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

- compliance with existing sector policies;
- existence of reputational risk for the Bank (sensitive rating);
- client's inclusion in leading global CSR indexes (advanced rating).

This scoring system is evolving following the service contract signed with a non-financial rating agency. The tests conducted in 2016 and 2017 on the use of ratings from this agency led to a CSR scoring system being introduced in 2018 with three due diligence levels: light, standard and reinforced. The description of these three levels of due diligence is on the Bank's website.

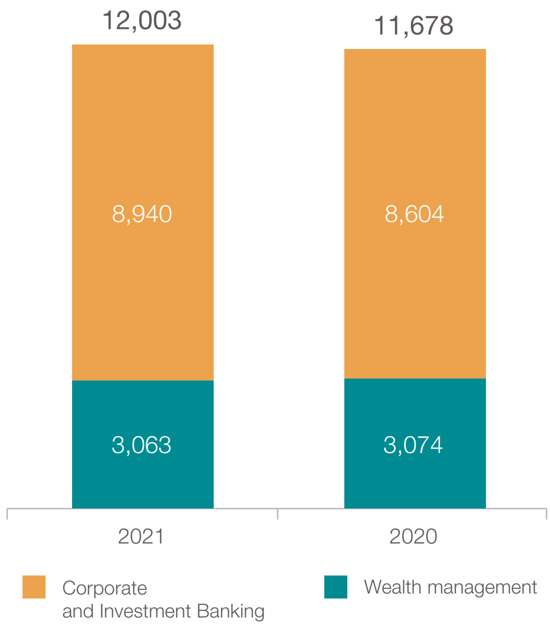
5. AMBITION IN TERMS OF HUMAN RESOURCES: STRENGTHENING AUTONOMY AND EMPOWERMENT

Crédit Agricole CIB's Human Project places its employees at the heart of its strategy to make them the key players in its performance and transformation. By developing an empowering managerial culture and by offering a working environment that promotes collaboration, trust and taking initiative, the Bank wants to strengthen each person's empowerment and commitment to clients and the society. It is with this objective in mind that Crédit Agricole CIB has been rolling out its empowerment approach since 2020 and, since 2021, its "NOW - New ways Of Working" project.

Once again this year, the pandemic mobilised the Human Resources and Occupational Health Department teams to provide specific measures to management and employees during the health crisis. The specific measures deployed enabled both the protection of the teams and the business continuity through enhanced social dialogue and special attention given to keeping the link with employees.

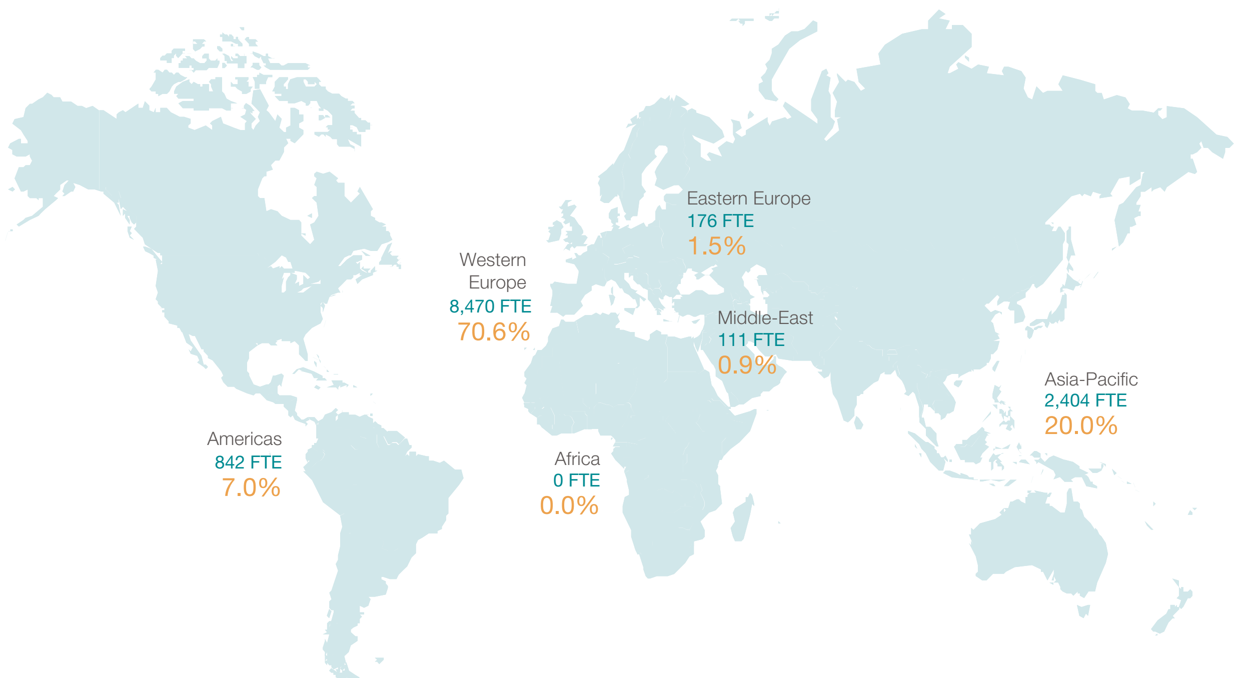
KEY FIGURES

Headcount by area of activity (FTE: Full-time equivalent)



Headcount by region

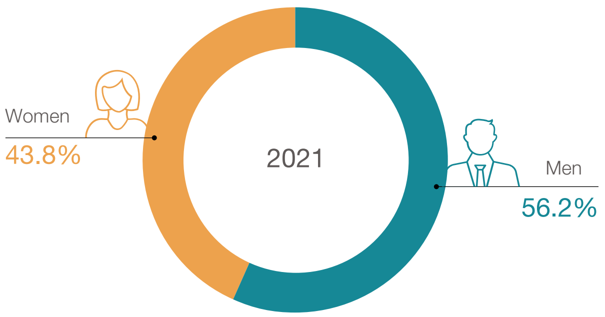
At the end of 2021, Crédit Agricole CIB had 12,003 full-time equivalent (FTE) employees and had a presence in more than 30 countries.



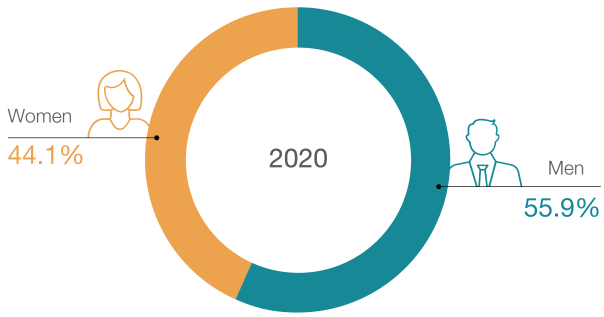
▶ Headcount by type of contract (FTE: Full-time equivalent)

	2021			2020		
	France	International	TOTAL	France	International	TOTAL
Permanent contract	5,130	6,367	11,497	4,991	6,344	11,335
Fixed-term contract	46	460	506	51	292	343
Total active headcount	5,176	6,828	12,003	5,042	6,636	11,678
Number of permanent employees on leave of absence	89	28	117	56	17	73
TOTAL	**5,265**	**6,856**	**12,120**	**5,098**	**6,653**	**11,751**

▶ Breakdown of workforce by gender



Scope covered: 100%

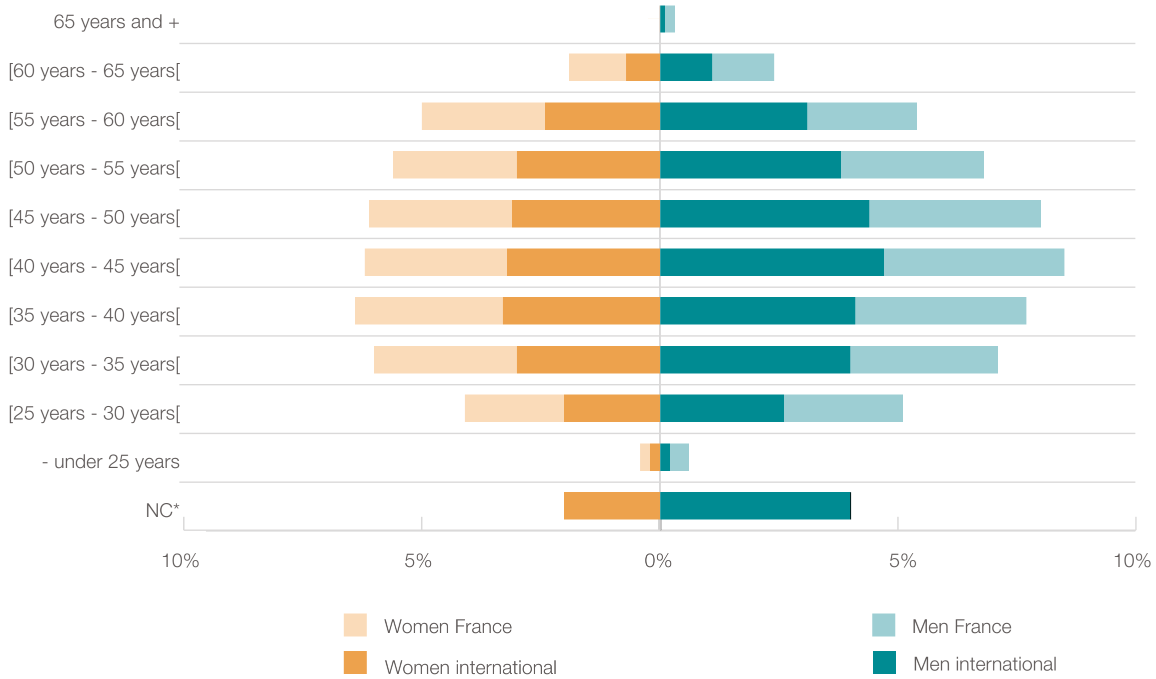


Scope covered: 100%

▶ Breakdown of headcount by level/gender (permanent employees in France)

	2021		2020	
As a %	Executives	Non-executives	Executives	Non-executives
Headcount in France	95.8	4.2	94.8	5.2
O/w women (%)	92.9	7.1	91.3	8.7
O/w men (%)	98.3	1.7	98.0	2.0
Scope covered in France		**100%**		**100%**

▶ Age pyramid as of 31 December 2021



**For regulatory reasons, some entities (particularly in Americas) do not disclose "age" data.*

▶ Average age and average length of service

	2021			2020		
	France	International	TOTAL	France	International	TOTAL
Average Age	43 years 6 months	43 years 5 months	43 years 5 months	43 years 4 months	43 years 5 months	43 years 5 months
Average length of service	13 years 2 months	9 years 7 months	11 years 2 months	13 years 10 months	10 years 1 months	11 years 9 months

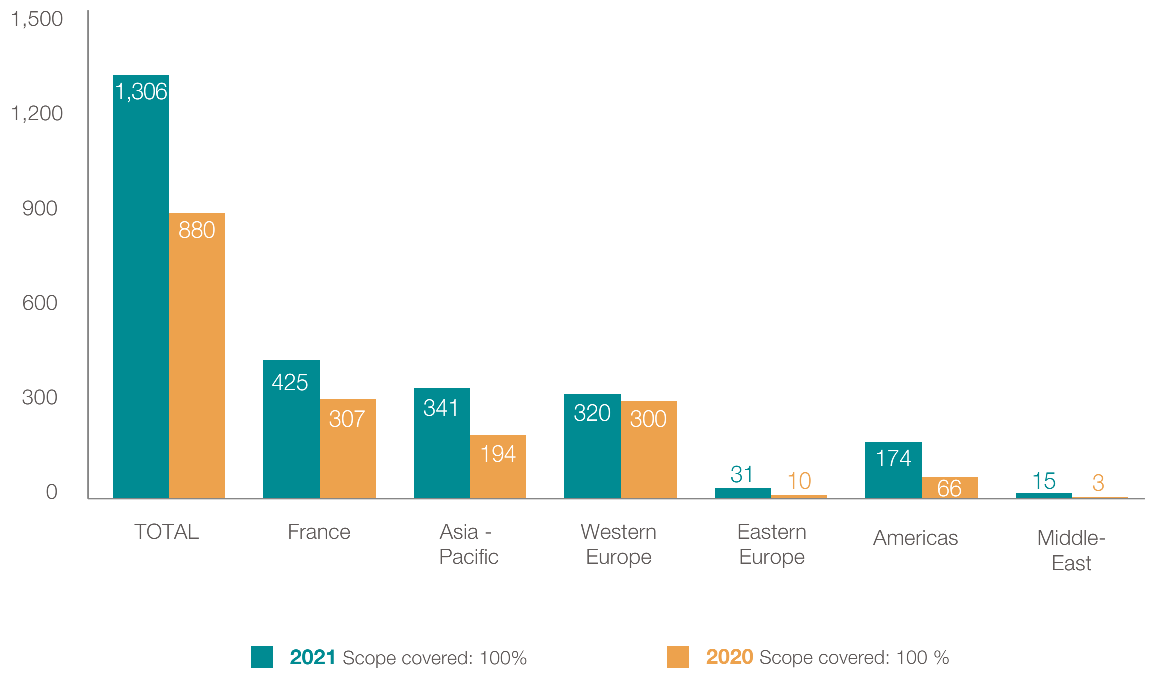
▶ Departures of permanent employees by reason

	2021				2020			
	France	International	TOTAL	%	France	International	TOTAL	%
Resignations	99	530	629	69.8%	82	387	469	58.2
Retirements and early retirements	67	55	122	13.5%	72	87	159	19.7
Dismissals	9	71	80	8.9%	5	104	109	13.5
Deaths	6	3	9	1.0%	0	3	3	0.4
Other departures	38	23	61	6.8%	33	33	66	8.2
TOTAL DEPARTURES OF PERMANENT EMPLOYEES	**219**	**682**	**901**	**100.0%**	**192**	**614**	**806**	**100.0**
Scope covered				**100%**				**100%**

▶ Promotions in France

	2021			2020		
	Women	Men	TOTAL	Women	Men	TOTAL
Promotion within the non-executive category	1	3	4	5	3	8
Promotion from non-executive to executive	22	9	31	28	10	38
Promotion within the executive category	188	190	378	131	174	305
TOTAL	**211**	**202**	**413**	**164**	**187**	**351**
%	51.1	48.9	100.0	46.7	53.3	100.0
France scope covered			**99%**			**99%**

▶ Recruitment by geographic area [1] (permanent contracts)



(1) Including among trainees, work-study trainees et fixed term contract.

▶ **Proportion of part-time employees**

	2021			2020		
	Women	Men	TOTAL	Women	Men	TOTAL
Part-time headcount	675	97	772	676	109	785
% part-time headcount	13.2	1.5	6.6	13.4	1.7	6.8
% women in part-time headcount	-	-	87.4	-	-	86.1
Scope covered			**100%**			**-**

5.1. PROMOTING EMPOWERMENT

Committed and empowered employees close to clients is one of Crédit Agricole CIB's Human Project ambition and the aim of the Bank's empowerment approach since 2020. This approach, which involves employees, managers and senior management, promotes the development of authentic leadership and employee empowerment by relying on a strengths-based management approach and the involvement of teams through dialogue circles. In 2021, the process continued to be rolled out in the Finance, Operations, Compliance and International Trade & Transaction Banking teams. It will gradually be rolled out to all the Bank's teams by 2023.

5.1.1 Listening to our employees and fostering commitment

In 2021, initiatives that encourage employee participation were strengthened in order to reflect the numerous transformational challenges linked to the development of the company and our organisational methods. Crédit Agricole CIB and Indosuez Wealth Management participated, as they do every year, in the Crédit Agricole Group's Engagement and Recommendation Index (ERI) survey, sent to all their employees worldwide, from 4 October to 12 November 2021. At Crédit Agricole CIB, this initiative fits in with commitment surveys continued since 2015 and allows to assess the positive development of results. In 2021, Crédit Agricole CIB achieved its best ERI score with 79% favourable responses, i.e. a score identical to 2020 and its highest participation rate with a 73% response rate, i.e. an increase of 3 points compared to 2020. The results of this survey reveal that strong progress has been made on topics related to strategy, confidence in the decisions taken by management and organisational efficiency. They also demonstrate the strong commitment of employees and the collective spirit that have driven the teams since the start of the health crisis. As part of the Human Project, this year the Group rolled out a new ERI indicator, the Empowerment Index, for which Crédit Agricole CIB received 75% favourable responses. This new index will allow us to measure, over time, perceptions of autonomy, empowerment and the ability to propose new ideas to meet clients' needs.

Finally, as part of its NOW project on new ways of working and in order to initiate joint discussions among all its employees worldwide, the Bank asked employees to answer a specific questionnaire from 17 to 29 June 2021. The questionnaire covered topics including remote working, managerial practices and the corporate culture, tools and applications, and the Smart-Office. 52% of employees answered the questionnaire and the analysis of responses allowed us to measure very positive perceptions concerning efficiency, performance, confidence and productivity thanks to the experience of the past year and the empowerment of employees. These results also show that the crisis led Crédit Agricole CIB's employees and managers to adapt their working methods and that they now feel ready to work in a hybrid manner.

5.1.2 Accelerating the development of our employees' skills in an environment undergoing rapid transformation

In a highly competitive and constantly changing environment, the development of employees' skills is a key element in the Bank's strategy and the transformation of its business lines. As part of its Human Project, the Bank is doing everything possible to ensure that each position in the organisation is held by a motivated employee whose skills and performance meet the requirements and challenges of his or her position, for now and for the future. Crédit Agricole CIB is committed to enabling all employees to develop their skills and employability. This approach is applied and harmonised globally to take into account the international dimension of the Bank's business and corporate culture.

By offering an enhanced employee experience with digital solutions, Crédit Agricole CIB has strengthened its remote training offer and launched the 365 Talents solution so that every employee can develop and enhance autonomously their empowerment skills.

5.1.2.1 DEVELOPING EMPLOYEE SKILLS AND ADAPTING HR TOOLS TO TRANSFORMATION CHALLENGES

Crédit Agricole CIB has an active training policy to meet current and future strategic challenges. The Bank encourages all employees to continuously adapt their skills to the fast and complex changes in the economic, regulatory and technological environment.

The HRE-Learning global training portal, launched in 2016 and accessible to all employees, currently offers thousands of digital modules. This portal encourages employees to take ownership of their training and represents a veritable invitation to curiosity.

In 2021, Crédit Agricole CIB supported the business lines in their transformation by offering new training courses, in particular on sustainable finance and data. New learning experiences were also offered to employees through global virtual classes, challenges in the area of language learning and innovative modules such as a web series on hydrogen.

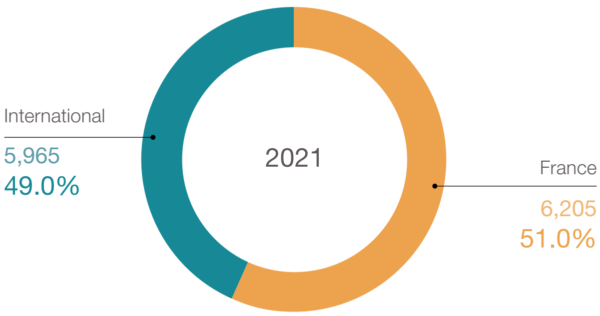
In addition, in order to meet regulatory requirements and following a successful initial trial of “My Mandatory Learning Camp”, the new format for mandatory training courses was renewed in 2021. This empowers employees by giving them autonomy to plan their mandatory and regulatory training according to their availability, over a longer period of time.

The overall training approach, in conjunction with the forward planning of employment and skills and the Human Pillar of the Medium-Term Plan, pursues the following objectives:

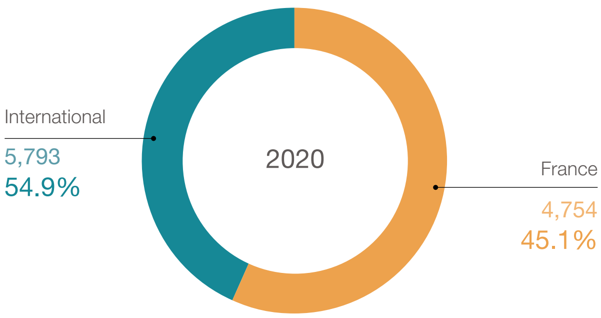
- meet the needs and challenges of the business lines in order to develop the skills of their employees;
- meet the Bank’s regulatory and security requirements;
- support mobility and career changes through dedicated training plans;
- implement the training and awareness raising measures required under the various collective agreements signed;
- use available new technologies and educational methods to promote access to training;
- incorporate training reform into the Crédit Agricole CIB policy.

In 2021, training hours for France were mainly spent on compliance, Banking-Finance, personal development and communication.

▶ Number of employees trained



Scope covered: 97%



Scope covered: 98%

▶ Training themes

In number of hours	2021				2020	
Topics	TOTAL	%	O/w France	O/w international	TOTAL	%
Knowledge of Crédit Agricole S.A.	5,814	2.8	1,939	3,875	1,962	1.5
Management of people and activities	7,340	3.5	2,504	4,836	3,485	2.7
Banking, law, economy	25,124	12.0	6,528	18,596	13,713	10.7
Insurance	1,360	0.7	883	477	1,269	1.0
Financial Management (accounting, tax, etc.)	9,795	4.7	6,395	3,400	1,861	1.5
Risks	3,500	1.7	1,470	2,030	3,438	2.7
Compliance	80,541	38.6	28,895	51,646	62,282	48.6
Method, structure, quality	4,429	2.1	2,320	2,109	1,955	1.5
Purchasing, marketing, distribution	207	0.1	151	56	17	0.01
IT, networks, telecoms	7,183	3.4	3,909	3,274	2,536	2.0
Languages	24,091	11.6	3,905	20,186	18,028	14.1
Office automation, software, NICT	12,265	5.9	5,005	7,260	5,101	4.0
Personal development, communication	16,247	7.8	9,135	7,112	6,522	5.1
Health and safety	5,088	2.4	1,591	3,497	4,242	3.3
Human Rights and Environment	3,502	1.7	707	2,795	761	0.6
Human resources	2,091	1.0	1,144	947	971	0.8
TOTAL	**208,577**	**100.0**	**76,481**	**132,096**	**128,143**	**100.0**
Scope covered	**-**	**97%**	**-**	**-**		**98 %**

- **Adapting business lines and IT skills to technological changes**

In order to provide support for employees in managing the technological changes to their working environment and to raise their awareness of innovation, Crédit Agricole CIB rolled out new systems in 2021:

- The "Machine Learning Fundamentals" training course created and moderated by in-house experts. This training course offered to around thirty employees in 2021 also allows to form a first pool of data scientists within the Bank. New sessions will be rolled out in 2022. Crédit Agricole CIB has also developed data training programmes, in partnership with innovation teams, which will be included in the Bank's training offer for 2022.
- As part of the partnership signed with Netexplo in 2019, employees were able to learn about the digital innovations of the year by attending the Innovation Forum in April 2021.

In order to support the Bank's transformation projects, the partnership with the Pluralsight platform was renewed this year, thereby allowing more than 400 employees to receive training in web development, IT security, data and various other IT areas.

Furthermore, "IS MOOC Security" training programmes specific to each business line have also been put in place to support Crédit Agricole CIB's experts in the development of their information security skills and thus better anticipate and manage risks.

- **Developing cross-functional, behavioural and managerial skills**

The training offer at Crédit Agricole CIB is designed to encourage curiosity. All employees are involved in determining their own training and can freely access the HRE-Learning online portal, which offers thousands modules. In line with the Bank's digital transformation over the past few years, Crédit Agricole CIB is continuing to expand its digital training offer to enable all its employees to continue developing soft skills, linguistic and managerial skills.

As key players in developing their employees' skills and implementing the Bank's strategy, managers – regardless of their level of experience – receive specific support. Since 2012, Crédit Agricole CIB has been rolling out its Management Academy training programme in France and abroad, in order to develop a shared managerial culture. The Management Academy is structured around 3 levels. The "Novice Learners" level is open to all employees who then have free access to digital modules on managerial topics via the Bank's international training portal. The "Expert Learners" and "Master Learners" levels are offered to operational managers and managers of managers.

In 2021, the Management Academy was redesigned and its format and content were adapted to remote learning in order to respond to changes in the bank and the health environment.

The empowerment approach, launched in 2020 as part of the Human Project, complements the Management Academy system by strengthening the themes of authentic leadership and strengths-based management. The roll-out of this approach continued in 2021 and will continue until 2023.

In addition and in order to promote cross-functionality and skills development using a different approach, the Bank launched in 2019 the skills sponsorship programme, Startup Mission. By enhancing the employee experience and promoting social innovation, this programme reinforces the commitment of our teams and is fully aligned with Crédit Agricole CIB's Human Project. It allows employees to experience a one-month immersive experience in a startup at the Village by CA to share their expertise while discovering new ways of working. There is a system in place to match the skills of the volunteer employees with the needs of the startups. Since its launch, 22 employees have already tried the Startup Mission adventure. The results are very positive both for the participants – who are immersed in an agile, cutting-edge environment –, the startups, who benefit from the skills-based sponsorship, and Crédit Agricole CIB – who also gains from the exchange.

- **Developping and empowering employees by offering them a professional pathway – which they prepared with their manager and HR manager**

Each year, the appraisal and objectives setting meetings provide an opportunity to take stock of individual and collective performance, each employee's achievements and their development needs.

Within the framework of this worldwide campaign in 2021, 98.03% of the annual assessments between employees and managers have been realised. Once again this year, all employees in France, with at least 6 years' service at Crédit Agricole CIB, were given a Recap Professional Interview to address career development issues and training needs.

In addition to these campaigns, two other development initiatives have been introduced at Crédit Agricole CIB:

- the Cross-Feedback tool, intended for the most cross functional positions by providing objective feedback from the people with whom the employee is working on a daily basis. This tool helps to promote better cooperation between the Bank's teams and to develop a culture based on feedback. In 2021, 1,314 employees received individual Cross Feedback reports shared with their manager;
- the 360°, an individual development tool, enables members of the Executive Committee and their direct reports to receive feedback from their managers, peers and direct reports. In order to promote empowerment for all employees, participants can choose to share some or all of the results of their 360° report with their manager, the Human Resources department or their teams.

5.1.2.2 PROMOTING EMPLOYEE MOBILITY

Internal mobility is a major aspect in employee skills development, by enabling them to evolve within the Bank and the Crédit Agricole Group.

In a world where the business and skills are changing rapidly, Crédit Agricole CIB gives all employees the opportunity to become the key player in their development by encouraging them to take the initiative in increasing their employability, as part of the Human Project.

The dedicated MyJobs portal, which can be accessed by Crédit Agricole CIB's employees in France and abroad, covers all available positions within the Corporate and Investment Bank and Crédit Agricole the Group. In addition, Crédit Agricole CIB uses different systems to support employees in their mobility approaches: mobility Committees, events and workshops, individual support and digital pathways (for example, Jobmaker). These initiatives also create a more cross disciplinary approach and develop the mobility culture.

In addition to these initiatives, Crédit Agricole CIB is continuing to roll out the 365Talents digital solution, which enables employees to increase their employability by focusing on their experience, skills and interests. Using Artificial Intelligence, the tool maps employees' skills to suggest opportunities within the company based on their profile and interests. The roll-out of the 365Talents solution is organised into stages with the various departments worldwide and will be completed in 2022.

In order to promote mobility and the HR set-ups and support, the Bank also held its fourth Mobility Week in France, bringing together 330 participants in a digital format. This event allows the business lines to present their opportunities and enables participants to speak to the HR teams in order to receive personalised advice.

In 2021, the Déclic Mobilité programme, organised with a firm specialised in providing professional support, was again held remotely. This programme combines one-on-one interviews and group sessions to encourage the sharing of experiences, and has enabled 165 employees since its creation in 2017 to discuss their mobility plans and to get them underway.

In addition, 100 employees took part this year in remote mobility workshops organised each month and received advice to help them reflect on their career plan, write their CVs and prepare their recruitment interviews.

5.1.3 Attracting talent, developing our employees, preparing succession plans

• Promoting the employer brand and growing our talent

Crédit Agricole CIB has an active recruitment and talent identification policy, in France and abroad, to meet businesses' needs. By strengthening its partnerships with universities and schools as well as its presence on campuses, the Bank wants to promote its expertise and its international network in order to attract future talents. For this reason, in 2021, 60 digital and face-to-face forums were organised in collaboration with schools and universities in France and abroad. To reinforce interactions between both academic and professional worlds, Crédit Agricole CIB also organises conferences and case studies.

Close to 170 managers and employees joined the HR teams again in France in 2021 for these events to share their experience with students and to receive applications for the various positions to be filled.

The Bank is setting up specific educational partnerships in France and internationally. In 2021, Crédit Agricole CIB joined forces with CFA DIFCAM to create a new "Insurance, Banking, Finance - Back Office - Middle Office in Corporate and Investment Banking" professional diploma in partnership with the University of Versailles Saint-Quentin-en-Yvelines. The first class of 16 students was welcomed in September 2021, and 12 students are working on work-study programmes in the Operations Department at Crédit Agricole CIB. Some of the teaching is also provided by experts from this Department.

Mindful of reaching out to as many people as possible, the Employer Brand of Crédit Agricole CIB spreads out on the Bank's social media, LinkedIn and Twitter. With more than 80 publications in 2021, the Bank was able to promote its commitments, share experiences from recently recruited employees and display career opportunities to potential candidates.

• Employee induction

In 2016, Crédit Agricole CIB rolled out its Global Induction Programme, to help new employees integrate into the company. The programme allows new entrants to learn about all Crédit Agricole CIB business lines and to receive all useful information when they arrive. The Bank's intranet has a dedicated area wherein a large number of documents helping the integration process are available. Digital resources are also available on the Bank's international training portal, HRE-Learning. An individual programme of mandatory training courses is in place to develop and promote the compliance and risks culture, helping new employees to adopt the appropriate and expected behaviours in regulatory matters. Depending on the business line, new employees may also follow additional training courses to help them ease into their new position.

During their first year within the Bank, new joiners are also invited to the Induction Day to gain a better understanding of the interaction between the Bank's different business lines and to meet their peers who have recently joined Crédit Agricole CIB teams. Since its inception in 2016, more than 2,500 participants have taken part in this integration event.

For the first time in 2021, all 1,400 employees who began working at Crédit Agricole CIB's locations around the world over the last two years were invited to the same event, which was remote and digital to respect restrictions imposed by the health crisis.These Induction Days brought together participants from more than 25 countries. The history of an emblematic deal was presented by experts from the Bank's various business lines; the experiences they shared allowed new joiners to better understand how the Corporate and Investment Banking department operates.

Depending on their location and business line, new hires may also be invited to participate in specific integration programmes. This is the case in the United States, where videos presenting the various departments are offered to new joiners, allowing them to familiarise themselves with the Bank's organisation.

As part of its digitalisation transformation, Crédit Agricole CIB offers a digital onboarding procedure enabling employees online access to their digital HR documents from both personal and professional computers. In order to facilitate the search for information, the HR intranet in France has a chatbot which answers employees' questions.

• Developing and supporting our talents

At Crédit Agricole CIB, the members of the Management Committee, managers and Human Resources have been working to identify and manage talents for several years now. Part of the Crédit Agricole S.A. Group policy, it aims to retain and develop employees with significant potential and anticipate, prepare and ensure coherent succession plans for strategic positions at the Bank.

The Bank talents are offered special development opportunities which combine Groupwide programmes and specific Crédit Agricole CIB programmes. Initiatives for high-potential employees are also offered locally, by region or country.

Despite the health situation, Crédit Agricole CIB wanted to maintain the momentum initiated in recent years by adapting to the context of remote working for employees.

Since 2017, the Corporate Mentoring Programme has enabled Crédit Agricole CIB's talent in our various locations worldwide to benefit from the support of members of the Executive Committees or Business Line and Country Management Committees. This experience-sharing programme also aims to promote greater diversity within the teams.

5.2. ORGANISATIONAL TRANSFORMATION TO REMAIN CLOSE TO THE CLIENT

The Group and Crédit Agricole CIB undertake to offer their clients direct access to a local relationship manager. Local relationship managers are discerning and have greater responsibilities in terms of responding more quickly to customer needs. Internally, this requires more cross-functionality and collective agility while adapting to the digital transformation that is impacting ways of working.

More empowerment and cross-functionality

In 2020, Crédit Agricole CIB continued to simplify its organisation and process in order to strengthen proximity with clients by changing the governance of some businesses. This evolution of the organisation allows to reposition the technical and functional expertise at the centre of its system, to gain in responsiveness on the implementation of projects impacting the entire value chain and to shorten decision making. The simplification of hierarchy levels also enables a better team coordination to better meet clients' needs.

Moreover, in order to strengthen everyone's empowerment and commitment to the clients and society, the Bank rolls out since 2020 an empowerment approach. The latter aims to develop authentic leadership and employee empowerment by relying on a strengths-based management approach and the involvement of teams through dialogue circles. This approach will be gradually rolled out to all the Bank's teams by 2023.

5.3. STRENGTHENING THE FRAMEWORK OF TRUST BETWEEN EMPLOYEES AND THE COMPANY

5.3.1 Ensuring constructive social dialogue within the Group

The Group promotes dynamic and constructive social dialogue with its employees and their representatives when existing locally.

The international framework agreement signed by Crédit Agricole S.A. Group with UNI Global Union on 31 July 2019 lays the foundations of the social pact which recognises at global level the right to freedom of association and collective bargaining and the prioritisation of social dialogue which supports the Group's growth and performance.

In France, the Crédit Agricole S.A. Group sealed its commitment to its social pact through an agreement mapping out the employee representative path to create an environment that is likely to encourage employee engagement and investment in the role.

Fully subscribing to the Group approach, Crédit Agricole CIB is keen on maintaining effective and constructive social dialogue so that each year it can enter collective agreements that contain genuine commitments which reflect the Bank's social policy.

Throughout 2021, still marked by the health crisis, the Bank continued to bring its social bodies to life and continued discussions with employee representative bodies on all social issues, particularly issues relating to the management of the coronavirus crisis.

In parallel with the meetings of the Social and Economic Committee (CSE) and the work of the three committees (Social Policy Committee, Economic and Strategic Committee and Committee on Health, Safety and Working Conditions), negotiations took place and resulted, in 2021, in nine agreements relating to compensation, equality and remote working.

▶ Number of agreements signed during the year by subject

	2021			2020		
	France	International	TOTAL	France	International	TOTAL
Compensation and benefits	17	4	21	16	6	22
Training	0	0	0	0	0	0
Employee representative institutions	0	0	0	2	0	2
Employment	1	2	3	0	0	0
Working hours	4	3	7	1	2	3
Diversity and equality at work	3	0	3	0	0	0
Health and safety	2	0	2	0	0	0
Other	2	1	3	6	3	9
TOTAL	**29**	**10**	**39**	**25**	**11**	**36**
Scope covered	**-**	**-**	**97%**	**99%**	**-**	**-**

5.3.2 Leveraging diversity to be collectively stronger

Equality and diversity are key pillars of Crédit Agricole CIB's Human Project, which are reflected in the recruitment and human resources management processes on a daily basis. In this respect, measures such as the Behaviour Charter and regular initiatives to raise awareness of diversity have been in place at Crédit Agricole CIB for many years.

As a committed and responsible employer, Crédit Agricole CIB bases its Human Project on a strong conviction: the diversity of its employees is a major asset for the Bank.

In addition to being essential to reflect the diversity of its clients and the society, this diversity is a performance and innovation factor for Crédit Agricole CIB, which operates in more than 34 countries, has 16 business lines, employees of 100 nationalities and more than 43.9% women among its teams.

Both in France and abroad, Crédit Agricole CIB rolls out a specific initiative by organising every year, in November, the Diversity Month. In 2021, conferences, workshops and video testimonials focussed on 5 topics: inclusive culture, intercultural issues, disabilities, diversity and intergenerational issues. As part of its Human Project, the Bank is also working to strengthen the inclusive dimension of all of its processes: recruitment, talent selection, succession plans and development programmes.

To continue the collective efforts to promote equality in recruitment processes and to ensure that the procedures for hiring employees comply with this fundamental principle of equal opportunities and fairness, Crédit Agricole CIB has implemented digital training, "Recruiting without discriminating", for all human resources managers and employee-managers involved in recruitment processes.

5.3.3 Gender equality at work

Convinced that diversity is a powerful driver of performance and innovation, Crédit Agricole CIB has for several years now been following a proactive diversity policy.

To identify the main issues and measure the effectiveness of its diversity policy, Crédit Agricole CIB regularly analyses its gender distribution indicators in view of defined goals.

For several years now, the Bank has implemented action plans to promote professional equality between women and men. The main focuses of the professional gender equality agreement, renewed in France in 2021 for a period of 3 years, are to ensure balanced job recruitment and equal pay, train employees on the principles of professional equality and non-discrimination and raise their awareness of the issues involved, help all employees to boost their employability, and roll out initiatives in favour of parenthood.

The Bank also supports its female talent, both in France and abroad, through a range of leadership development programmes. The programmes' objectives are to provide women with the keys to strengthening their strategic positioning, developing their networks and progressing within management bodies.

Under the "Corporate Mentoring programme", Crédit Agricole CIB has set itself gender equality targets when selecting "mentees", ensuring that women represent more than 50% of the participants (to date, 99 women employees have benefited from the "Corporate Mentoring Programme", or 54% of "mentees"). In addition, each year female employees of Crédit Agricole CIB are selected to participate in the Crédit Agricole Group's mentoring programme.

In line with these action plans, and to accelerate the feminisation and internationalisation of its management bodies (EXCOM and MANCOM, Circles 1 and 2), in 2020 Crédit Agricole CIB conducted a global review of its strategic talent pool. To meet the objectives set by Crédit Agricole S.A., Crédit Agricole CIB aims to reach 50% women and 40% foreign nationals in this pool by the end of 2022.

In addition, as the long-standing partners of the Financi'Elles federation, Crédit Agricole S.A. and Crédit Agricole CIB reaffirmed their commitment to introducing ambitious Human Resources policies in the area of gender equality by signing, in November 2021, the Financi'Elles Charter of Commitments on 10-year anniversary of the federation of the Banking, Finance and Insurance networks.

Crédit Agricole CIB also pays particular attention to actions in favour of parenthood in its business locations. In France, paternity leave was increased from 11 to 25 days in 2021, with employees continuing to receive 100% of their salary in addition to the compensation paid by the social security department. The Bank also offers its employees discussion workshops on the "Career-motherhood balance".

Crédit Agricole CIB also offers its employees, 40 nursery places in partnership with the Babilou network of nurseries in France, and 30 nursery places in the Petits Chaperons Rouges nursery near the SQY Park campus. All these nursery places are allocated according to social criteria. Crédit Agricole CIB also offers its employees casual childcare arrangements in over 450 creches for children from four months to three years, also in partnership with the Babilou network.

The effects of all these initiatives are reflected in Crédit Agricole CIB's gender equality index in France, which stood at 85 out of 100 once again in 2021.

Lastly, Crédit Agricole CIB also supports the networks created by female employees, such as CWEEN launched in 2008 in India, Potentielles in France, Crédit Agricole CIB Women's Network (CWN) in New York in 2010, SPRING in London in 2015, RISE in Hong Kong in 2016, WING in Tokyo in 2017, CARE in South Korea, MORE in Taiwan, Gulf Women's Network in Dubai in 2018 and EQUAL launched in Singapore in 2020. In Italy, the partnership with PWN Milan (Professional Women Network) allows employees to access a specific mentoring programme, participate in remote workshops and training, and discuss their careers with other women.

Proportion of women (%)

	2021		2020	
As a %	%	Scope covered	%	Scope covered
Among all employees	43.9	100%	44.2	100%
Among permanent contract staff	40.0	100%	38.6	100%
Among CACIB Executive Committee	9.1	100%	12.5	100%
Among CACIB management circles 1 and 2 [1]	20.1	100%	19.3	100%
Among the top 10% of highest-earning employees in each subsidiary (fixed compensation)	18.8	99%	19.7	98%

1 The managerial Circles group the members of the Executive Committees and the members of the Management Committees at each entity into two levels.

• A compensation policy based on equality

The wage policy is key to Crédit Agricole Group's strategic human resources management. Crédit Agricole CIB's remuneration policy is based on principles of fairness, performance incentives in line with risk management and the sharing of the Company's values. This policy is deployed taking into account the economic, social and competitive context of the markets in which the Bank operates, as well as applicable legal and regulatory obligations.

Crédit Agricole CIB places a great importance on the principle of equal treatment at work. Provisions can be made locally to reduce possible gender wage gaps, for example as in France under the agreement on gender equality at work.

• Particular attention paid to the internationalisation of our talent pools

With nearly half of employees working abroad, the internationalisation of talent pools is a key goal for the Bank. To step up the internationalisation of its management bodies (EXCOM and MANCOM, Circles 1 and 2), Crédit Agricole CIB conducted a global review of its strategic talent pool in 2020 allowing to enrich its succession plan. As a result of a special focus on diversity criteria, 37% of identified talents are international.

To meet the objectives set by Crédit Agricole S.A., Crédit Agricole CIB aims to reach 50% women and 40% foreign nationals in this pool by the end of 2022.

• Inclusion of young people and access to employment (work-study employees and trainees)

Keen to support young people in finding employment, Crédit Agricole CIB pursues an active policy in favour of their occupational integration in France and abroad. In 2021, despite the complex health situation, the Bank maintained an ambitious policy on the recruitment of young people to prepare for the future, integrate new generations and attract talent. This resulted in an increase in the number of work-study employees hired in France. In 2021, 397 trainees, 223 work-study employees and 27 VIEs (International Volunteers in Business) joined the Bank.

Crédit Agricole CIB also participated in the first *Mobilijeunes* event organised by CASA, which aims to support young people in finding jobs by offering workshops (pitches, CV preparation, etc.), conferences, and promoting fixed-term and permanent contracts to this group of people.

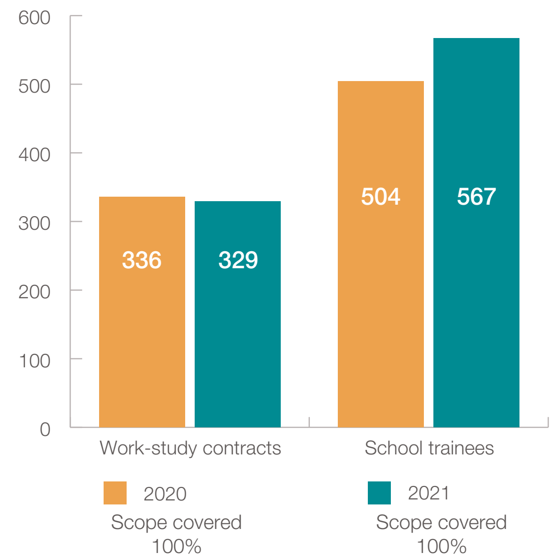
Through its internships, work-study placements and VIE positions, Crédit Agricole CIB identifies the highest-potential employees and creates a Global Junior Pool. In France, more than 60% of junior permanent-contract positions were filled in 2021 by individuals from this pool.

In some of its locations, Crédit Agricole CIB also offers students the opportunity to join the Bank through dedicated pathways which may involve internships lasting from 10 weeks to 2 years. This is the case for example in New York, London, Hong Kong SAR and Frankfurt. In Hong Kong SAR, the Bank is supporting young graduates as they embark on their careers as a member of the "Banking Talent" programme of the Hong Kong Monetary Authority (HKMA). Through this programme, the young professionals join a Crédit Agricole CIB department for a six-month period, supplementing the training provided by the HKMA.In accordance with the Group policy, Crédit Agricole CIB participates in numerous activities promoting the diversity of the recruited profiles. In this context, the Bank has renewed its partnership with Handiformafinance, initiated by the French Management Association (AFG), which offers disabled people the chance to train for back-office jobs in capital markets, whilst also studying for a professional diploma from *Université de Saint-Quentin-en-Yvelines.*

To ensure fairness, job offers are published on the Crédit Agricole CIB and Crédit Agricole Group job sites. They are also published on specialist recruitment sites and on JobTeaser, a recruitment platform in schools and universities. After having applied online, the candidates for internships, work-study contracts, VIEs or permanent contracts for young graduates must pass online aptitude tests before being invited for interview.

As part of the Human Project and their societal commitments, the Group and Crédit Agricole CIB are committed as a responsible employer to fostering diversity and integrating young people and individuals excluded from employment. In 2021, the Bank strengthened its partnerships with committed players such as "*Nos Quartiers ont du Talent*" (NQT) and the "A Network for All" alliance by LinkedIn and LinkedOut led by the Entourage organisation. At a conference organised as part of the Diversity Month, these players presented their actions, raised employee awareness of the importance of the network, and called on them to commit to greater professional equality.

Trainees and work-study employees (average monthly FTE)



5.3.4 Disability policy

For many years, Crédit Agricole S.A. Group in France has been actively promoting the employment of people with disabilities through job retention and awareness initiatives and also through recruitment from the sheltered and disability friendly sectors. The sixth agreement, signed in January 2020, is a logical continuation of the efforts made over the previous fifteen years and covers all of the Group's entities.

Health prevention and retention of persons with disabilities are at the heart of the Bank's concerns. A dedicated multidisciplinary team (head of disability integration and occupational health service) ensures the proper integration and retention of employees in conjunction with the Group's central disability team.

To support employees with disabilities, Crédit Agricole CIB plans to adjust workstations and the working environment: ergonomics studies, specially adapted computer equipment (screens, special software for employees with visual impairment), use of the Tadéo and Roger Voice telephone support for hearing-impaired employees, introduction of working from home and developing the use of sign language translation for conferences and training courses. This individual support can also take the form of tailored training, psychological monitoring, or coaching.

5.3.5 Health, safety and quality of life in the workplace

Crédit Agricole CIB pays particular attention to the quality of life in the workplace, working conditions and the work-life balance of its employees.

• Ensuring an environment and working conditions for employees to pursue activities safely

This year, the Occupational Health Department, Human Resources, Communications and managers of Crédit Agricole CIB were again highly involved in managing the challenges related to the health crisis, the protection of employees and the organisation of work. The exceptional measures deployed in mid-March 2020 have been extended to:

- providing local support to management and employees during the health crisis;
- defining and communicating health protocols to ensure full ownership and compliance with barrier measures by employees;
- strengthening social dialogue by organising regular remote interaction with all staff representatives, particularly with the Health, Safety and Working Conditions Committee of the CSE;
- maintaining social links by communicating at each new phase of the crisis, and proposing an HR Q&A detailing the work organisation measures;
- holding regular discussions on matters relating to the health crisis with the Bank's Covid representatives.

In order to protect employees and comply with the health protocols put in place for private sector companies, work organisation was adapted and remote working was made widespread until mid-June 2021 for all functions that were able to do so. A gradual return to the workplace began in June and transitional work organisation arrangements were put in place.

Specific arrangements have also been made to protect employees in the workplace: distribution of sanitary kits including hydro-alcohol gel and surgical masks, adapting the layout of our premises to ensure compliance with safety distances and barrier measures. In addition to these measures, employees at risk of a serious form of Covid-19 were invited to speak to the Occupational Health Department in order to define, for each situation, the best possible work organisation.

• Supporting employees in these unprecedented work situations

In order to provide additional support to employees, many support systems have been rolled out, in addition to prevention and support actions carried out by the medical teams.

In France, employees have been able to access to a free medical consultation service since the beginning of the health crisis, as well as the Stimulus anonymous and confidential psychological support unit to help them better understand this period and the complicated situations related to professional or personal life. A similar mechanism, the Employee Assistance Program (EAP), is also in place in Germany, the United States, Hong Kong and the United Kingdom and since 2021 in India and Japan.

Throughout the year, the Occupational Health Department organised Covid-19 vaccination campaigns, as well as a seasonal flu vaccination campaign. Employees in India, Italy, Japan, Korea, Singapore, Taiwan and the United Kingdom have benefited from similar initiatives or extra days off so that they can be vaccinated.

In addition to these enhanced measures to deal with the health crisis, the Bank is continuing its commitments to employees who face difficult family situations. The Bank offers Responsage services, a confidential and free telephone platform providing guidance and advice to employees on procedures related to the status of a family member-carer.

In 2017, Crédit Agricole CIB set up a system for donating rest days between colleagues to take care of a sick loved one (child, spouse, civil-union partner or ascendants). In 2021, donations amounted to 130 available days that could be allocated to employees where necessary.

In addition, a psychosocial risk monitoring system involving everyone at the company and serving to relay any difficulties encountered by employees supplements the Behaviour Charter, a document setting out a concrete framework for identifying and managing inappropriate and unacceptable behaviour at the company.

BUILDING NEW WAYS OF WORKING WITH EMPLOYEES

As part of its Human Project, in 2021 the Bank launched the global project "New ways Of Working (NOW)" with a view to establishing together with its employees a new hybrid and inclusive working environment. It is based on 4 interdependent pillars and seeks to address changes in the work organisation, spaces (Smart-Office), tools and applications and management culture.

In June 2021, more than 4,000 Crédit Agricole CIB employees took part in the NOW global survey, sharing their experiences and ideas on the 4 aspects of the project. In France, workshops were organised to collect the ideas, needs and suggestions of employees on the management and operational principles of hybrid work methods, best practices, team rituals, and achieving a work-life balance and disconnection. More than 240 employees took part in this initiative.

In October 2021, the signing of the new remote-working agreement for France marked a first step in the implementation of new ways of working at the Bank. The agreement is based on four main principles: double volunteering and reversibility, flexibility, with two remote-working formulas to adapt to the needs of business activities, autonomy, trust and empowerment. It offers a common base, respecting the DNA of the Group and of Crédit Agricole CIB, on which the international entities can rely to establish or adapt their respective agreements, taking into account local cultural and regulatory specificities. For example, Germany also signed a new agreement on remote working in November 2021.

As part of the "Smart-Office" pillar of the NOW project, the Bank is experimenting with new interior layouts to enhance the flexibility and diversity of workspaces for employees when on site. Implemented at the Coverage and Finance teams, this experiment is regularly reported on to the Social and Economic Committee, the latter being accompanied by an expert on the work environment and equipment who will be called upon to issue an opinion. Workspace transformation projects have also been launched in Frankfurt, New York and Taipei.

Special communication tools have been put in place to inform employees throughout the NOW project. To support the cultural and managerial transformation stemming from these changes, a change management set-up has been introduced for managers and employees in addition to Crédit Agricole CIB's empowerment process.

EMPLOYEE BENEFITS

As a responsible employer that cares about the well-being of its employees, Crédit Agricole CIB promotes a large range of employee benefits worldwide. The Bank takes particular care to ensure that its employee benefits are:

- ethical and reflect the Group's values;
- attractive and reasonable in terms of local practices in the banking sector;
- appropriate for the targeted recipients.

The Bank contributes to the funding of health cover programmes in many countries in order to offer its employees access to health care.

2021 was marked by an improvement in health insurance in India and the United States, as well as health insurance for expatriate employees.

Ensuring family protection in the event of death or a work stoppage is also important to Crédit Agricole CIB, which fully funds the schemes put in place by its entities. In terms of preparing for retirement, Crédit Agricole CIB has been a pioneer in many countries by helping its employees build up savings. In France, Spain, Italy, the United Kingdom and the United States, this type of scheme has been in place for over 20 years.

Through its employee savings schemes, employees share in the Bank's results and performance. Worldwide, Group's employees are regularly offered the opportunity to share in capital increase operations. In 2021, this programme covered 9 countries (including France) in which Crédit Agricole CIB is located.

In addition, employees on international positions benefit from specific benefits.

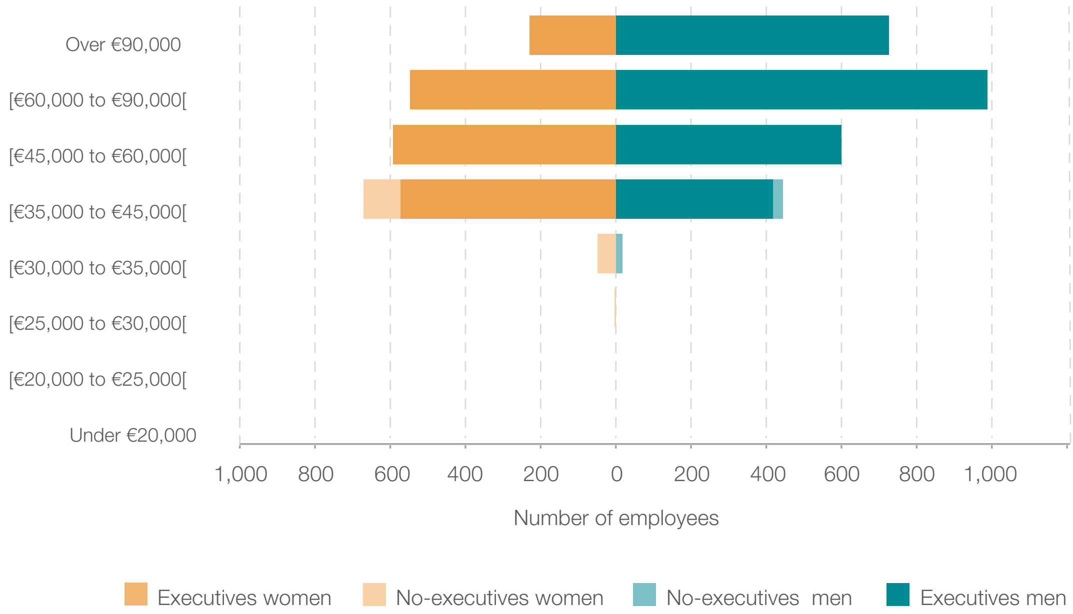
Since 2016, the profit-sharing agreement in France has incorporated the Bank's CSR indicator, FReD, to take account of the joint commitment of the Bank and its employees to the success of the CSR policy.

As part of its approach to continuous improvement of FReD, Crédit Agricole CIB is committed to strengthening its CSR commitments by involving all employees. Since 2020, the Bank has offered its employees a payroll giving initiative, offering employees (CDI, fixed-term and work-study employees) the ability to make a donation of up to €5 per month to an NGO via a deduction from their salary. Crédit Agricole CIB doubles each of the donations and covers the operating costs of the platform so that 100% of these donations are paid to associations chosen by employees: Pure Ocean, Institut Curie, Hôpital Necker-Enfants malades (Children's Hospital) and Les restos du cœur. In 2021, 341 employees participated in the salary donation scheme enabling the Bank to pay €31,231.42 to partner associations.

▶ Collective variable compensation paid during the year on the basis of the previous year's results in France

	2021			2020		
	Total amount *(thousands of euros)*	Number of beneficiaries	Average amount *(euros)*	Total amount *(thousands of euros)*	Number of beneficiaries	Average amount *(euros)*
Profit-sharing	1,540	524	2,939	941	537	1,751
Incentive plans	34,203	5,917	5,780	33,291	5,978	5,569
Employer's additional contribution	16,506	5,673	2,910	16,028	5,488	2,921
TOTAL	**52,249**	**-**	**-**	**50,260**	**-**	**-**
France scope covered			**99%**			**99%**

▶ Annual fixed salary grid in France



Scope covered: 99 %

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

	2021			2020		
	Women	Men	OVERALL	Women	Men	OVERALL
Executives	5,195	6,816	6,081	5,147	6,808	6,054
Non-executives	3,055	2,989	3,042	3,011	2,967	3,002
TOTAL	**5,042**	**6,753**	**5,953**	**4,961**	**6,732**	**5,897**
France scope covered			**99%**			**99%**

▶ Absenteeism in calendar days

	2021					2020		
	TOTAL				Average number of days of absence per employee	TOTAL		Average number of days of absence per employee
	Women	Men	No. of days	%		No. of days	%	
Sickness	35,600	18,892	54,492	45.5	4.5	56,382	47.9	4.8
Accident	897	218	1,115	0.9	0.1	1,705	1.4	0.1
Maternity, paternity, breastfeeding leave	44,270	3,906	48,176	40.2	4.0	42,533	36.2	3.6
Authorised leave	4,977	5,560	10,537	8.8	0.9	11,824	10.1	1.0
Other	2,710	2,717	5,427	4.5	0.5	5,169	4.4	0.4
TOTAL	**88,453**	**31,293**	**119,746**	**100.0**	**10.0**	**117,613**	**100.0**	**10.0**
Rate of absenteeism					**2.7%**			**2.8%**
Scope covered					**97%**			**-**

48 workplace or commuting accidents were recorded in 2021. 72 were recorded in 2020.

6. PROMOTING THE ECONOMIC, CULTURAL AND SOCIAL DEVELOPMENT OF THE HOST COUNTRY

6.1. DIRECT AND INDIRECT IMPACTS

Crédit Agricole CIB's main economic and social impacts on local areas (both positive and negative) are indirect, through its financing activity, and do not come directly from its sites. Its business services do not therefore have a significant impact on neighbouring and local populations.

Crédit Agricole CIB's indirect impacts reflect its role as a major financier of the global economy and major player in debt markets. The principles listed under the "General environmental policy" heading are therefore intended to maximise the positive effects and minimise the negative impacts of Crédit Agricole CIB's business by:

- implementing its system to assess and manage environmental or social client and transaction related risks;
- promoting so-called "responsible" financing transactions, in which issuers and investors factor social and environmental considerations into their investment decisions.

Offering clients a diversified range of socially responsible investments is also one of the objectives set by Wealth Management.

6.2. EMPLOYEES' INVOLVEMENT IN SOLIDARITY INITIATIVES

Crédit Agricole CIB actively encourages the commitment of its employees to social causes in the fields of social solidarity and inclusion. To this end, in 2021 the Bank renewed its "Solidaires by Crédit Agricole CIB" programme.

Solidarity initiatives in France and abroad

During regular events or one-off assignments, employees shared some very rewarding moments in the service of the cause of public interest. These experiences, organised in a number of countries where Crédit Agricole CIB operates, give employees opportunities to engage with and help charities to present their projects to other Bank employees.

In France, employees continued to donate their time to holding sporting events, such as the Financial Community Telethon. Due to the health context, which remains unstable, this race turned into a virtual event. Employees of 9 Crédit Agricole S.A. Group entities participated in this unprecedented edition, and walked or ran individually to collect donations for the AFM-Téléthon. The Group's runners covered 14.000 kilometres thanks to the United Heroes sport app. Against the backdrop of the health crisis and in compliance with barrier measures, participation in the telethon – which was founded on the principles of contribution and solidarity – was high.

Since April 2020, the salary donation allows French employees to make a donation to a selected association by donating cents from their salary via a monthly deduction made when preparing their pay. Employees can also add between €1 and €5 per month to their donation, with Crédit Agricole CIB adding to each donation made. In 2021, €31,231.42 were collected through employee donations (including contribution from the Bank). 100% of these donations were donated to one of the 4 selected associations: *Hôpital Necker-Enfants malades* (Children's Hospital), *Institut Curie, Les Restos du Cœur* or *Pure Océan.* These associations held a forum for associations to demonstrate to employees the importance of these donations in support of their projects.

Through its "*Coups de Pouce*" programme, the Bank provides financial support for charitable projects to which employees are personally committed. The designated fields of activity are social solidarity, social inclusion, environment, education and health in France and abroad. In 2021, 12 employees in France and 12 abroad benefited from these "*Coups de Pouce*" to help carry out their projects.

In total, since 2013, 329 charitable projects supported by employees have been supported by the Bank,including 108 abroad.

In the United States, in the healthcare and medical research sector, Crédit Agricole CIB supports The Bowery Mission, CAF America and the American Cancer Society, as well as New York Cares working in the field of education and children.

In the United Kingdom, the Bank helps to combat poverty, instability and exclusion through the Charity programme.

In Hong Kong, Crédit Agricole CIB supports the WeR Family Foundation.

In Cambodia, the Bank continues its partnership with the *Enfants du Mékong* (Children of the Mekong) association.

In 2021, Indosuez Wealth Management continued its sustainable and responsible commitment, driven in particular by the concrete solidarity initiatives of its employees:

- since 2012, the Indosuez Foundation in France, under the auspices of the *Fondation de France*, has been involved in concrete charitable initiatives to support vulnerable people: elderly people, disabled people, teenagers or young adults who are victims of addiction or high-risk behaviour. Almost 80 associations, including around fifteen social impact start-ups, have thus benefited from skills sponsorship and donations of professional time by almost 50% of staff in France;
- since its establishment in 2012, the Indosuez Foundation in Switzerland has funded 30 environmental projects with a high economic and social impact for vulnerable communities in Switzerland and around the world. They aim to support local communities through projects that promote the dissemination of knowledge, the emancipation of young people and the protection of natural heritage. Through its national company volunteering programme (Citizen Days) each year, it offers Indosuez Group employees in Switzerland (Indosuez and Azqore) the

opportunity to enhance their multidisciplinary skills. It also supported associations that are actively helping people who are extremely vulnerable during the Covid-19 crisis;

- in partnership with *Planète Urgence*, Indosuez Wealth Management offers its employees the opportunity to take solidarity leave and actively participate in projects created and managed by local players in different countries around the world. For 2 weeks (over the period of their leave), the selected employees provide technical assistance (transfer of skills) to solidarity projects, and projects involving cooperation, development or protection of the environment, thereby helping to strengthen the autonomy of the populations concerned. In 2020 and 2021, volunteer assignments abroad were suspended and deferred until 2022. However, a proportion of Indosuez Wealth Management's donations were allocated to reforestation initiatives;
- since 2016, CFM Indosuez, a subsidiary of Indosuez in Monaco, has worked with AMADE Mondiale (World Association of Children's Friends), which was established more than 50 years ago by Princess Grace of Monaco. It seeks to support access to education in Burundi;
- CFM Indosuez also supports projects aimed at children and young people in Monaco and France (PACA region), led by associations recognised for their professionalism and the relevance of their actions. They are selected by a decision-making committee from among the applications received following a call for projects, with the final candidates selected in advance by employee volunteers under a standardised selection and instruction process. The Bank is also committed to protecting the oceans as part of its partnership with the *Institut Océanographique de Monaco*. In 2021, it donated €171,000 to the institute, corresponding to the solidarity share of the responsible investment solution, CFM Indosuez Océano, built in collaboration with Crédit Agricole CIB.

In 2021, CFM Indosuez sought to consolidate its collective commitments as well as its societal and environmental initiatives through a Social Charter that was rolled out to its employees in January 2022.

6.3. CULTURAL SPONSORSHIP

Crédit Agricole CIB France continues to actively pursue a policy of cultural sponsorship supporting projects that encourage artistic creation, the discovery of the world's cultures and the transmission of cultural heritage. Despite the health situation, which remains complex, Crédit Agricole CIB has decided to maintain its commitments to the *Opéra de Paris* and the *Festival d'Aix-en-Provence*.

Internationally, Crédit Agricole CIB maintained its support for:

- the National Gallery in London,
- the Royal Opera in Madrid,
- the Museum of Modern Art "MoMA" and the Metropolitan Museum of Art (MET) in New York.

6.4. LINKS WITH SCHOOLS AND SUPPORT FOR UNIVERSITY RESEARCH

- Crédit Agricole CIB ensures a strong presence in schools, particularly through the "*Capitaines d'école*" project led by Crédit Agricole S.A..
- Since 2006, Crédit Agricole CIB has been a partner of the Chair of Quantitative Finance and Sustainable Development at *Paris Dauphine* University and *École Polytechnique.* This multidisciplinary project, supported from its inception by Crédit Agricole CIB, is unique in that it brings together specialists in quantitative finance, mathematics and sustainable development. One research area studied by this Chair since 2010 involves the quantification of indirect impacts of the financing and investment activities, particularly greenhouse gas emissions induced by the activities of the Bank's clients. This partnership was renewed at the end of 2021 for 5 years.
- One of the solid achievements of this research is the SAFE (previously, P9XCA) methodology referred to above. Crédit Agricole CIB has played an important role in disseminating this work to other financial institutions. In 2014, the Bank took an active role in the sector approach recommended by French organisations promoting corporate social responsibility (ORSE, ADEME and ABC). This approach seeks to produce a practical guide listing the methodologies and tools to help the various financial stakeholders (banks, insurance companies, asset managers) assess their direct and indirect GHG emissions.
- A new PhD begun in 2018, overseen by the Chair, was supported at the end of 2021 on the subject of the climate risks which could affect banks, particularly in relation to the assessment of scenarios and country risk. This work is focused on assessing the transition risk by country category based on quantitative data and qualitative analysis and aims to go beyond the contributions taken into account at the national level (NDC).
- Since 2019, Crédit Agricole CIB has also been a partner of the Fintech/Digital Finance Chair at *Université Paris Dauphine* through a partnership agreement aimed at the emergence of an ecosystem combining research, teaching and entrepreneurship on the topic of digital finance. This agreement also enhances relations between partners, academic institutions and students from Paris Dauphine.
- Crédit Agricole CIB is also a partner of the HEC Foundation as part of financing a "Corporate Initiative" training course dedicated to mergers and acquisitions. Thanks to the Corporate Initiative (M&A certificate), HEC Paris students will acquire new skills and have access to new professional opportunities. HEC Paris's teaching will enrich exchanges within an innovative and unique academic ecosystem. The M&A certificate is a one-month course, reserved for students at HEC Paris, covering all major aspects of M&A practices. This multidisciplinary training is taught by a faculty composed primarily of professionals and covers all major areas of M&A. Crédit Agricole CIB will be able to submit a subject for reflection on all general management topics for a student assignment.
- In 2021, Crédit Agricole CIB became a partner of the "*La Physique autrement*" Chair at Paris-Saclay University, which explores new ways of popularising and teaching physics, with a view to communicating with the general public.
- In 2021, Crédit Agricole became a partner of the EDHEC Business School's "Climate Change & Sustainable Finance" Master of Science programme. This course, developed jointly by the EDHEC Business School and Mines ParisTech, aims to train future finance professionals on sustainable finance objectives and integrate environmental, social and governance factors into their future decisions.

7. LIMITING OUR DIRECT ENVIRONMENTAL IMPACT

7.1. BUILDINGS AND CARBON FOOTPRINT MANAGEMENT PROCESS

Certification of buildings

The Montrouge and Saint-Quentin-en-Yvelines campuses again received the “HQE Exploitation” label in 2021 with a very good level of performance. The Saint-Quentin-en-Yvelines campus has had its EcoJardin label renewed.

Offsetting operational greenhouse gas emissions

Crédit Agricole CIB offset 43,000 tonnes of CO_2 equivalent by cancelling VCU (Verified Carbon Units) certificates corresponding to dividends received in 2021 in connection with its investment in the *Livelihoods* Fund. The *Livelihoods* Carbon Fund gives investors carbon credits which have a major social impact and help to promote biodiversity. The Fund also finances large scale projects in the areas of reforestation, sustainable agriculture and clean energy generation. These projects are implemented for and by deprived rural agricultural communities in developing countries in Asia, Africa and Latin America.

Certificates were received for four projects in 2021:

- In Burkina Faso, with the NGO Tiipaalga, providing 30,000 families with improved wood stoves built by women themselves. Rolled out in 9 municipalities covering 222 villages in the north of the country, this project started in 2014 will save 40,000 tonnes of wood and avoid the emission of 689,000 tonnes of CO_2 into the atmosphere over 10 years. In addition to having a real impact on women’s health by reducing exposure to toxic smoke and improving their daily lives, this project improves the status of women in their villages by putting them at the centre of the project. The 2,000 project participants benefit from self-managed microcredit that allows them to develop income-generating activities such as fattening sheep. The project also strengthens the food security of villagers in a region where malnutrition affects nearly 20% of the population.
- In Kenya, the “Hifadhi” project, which means “preserving” in Swahili, has made it possible to distribute 60,000 cooking stoves in three districts at the foot of Mount Kenya. These improved stoves are made from highly energy-efficient local ceramic, allowing a significant 60% reduction in wood consumption compared with traditional stoves. This will save 13,000 tonnes of wood and avoid emissions of more than one million tonnes of CO_2 over the 10-year duration of the project.
- A similar project, launched in 2016 in the Huancavelica and Ayacucho regions in Peru, involves equipping 30,000 households with improved stoves, which will also save emissions of one million tonnes of CO_2. The local NGO partner, ITYF, also provides communities with kits and training to raise awareness among families and children of health and hygiene issues (hand washing, consumption habits such as drinking clean water).
- In India, the NEWS (Nature Environment and Wildlife Society) NGO project involves planting 16,000 mangrove trees to rebuild mangrove swamps in the Sundarban Islands. Women are at the heart of the project: they have been trained by NEWS to manage nurseries used in the plantings that they themselves have made. The project thus helps to strengthen their status within the communities. Mangroves increase food security and villages’ income by allowing populations of fish, shellfish and crustaceans to grow. They also improve safety for local populations by strengthening existing dikes. Finally, they will capture nearly 700,000 tonnes of greenhouse gases over the course of 20 years.

CFM Indosuez has signed the *Pacte pour la Transition Énergétique* (Energy Transition Pact), which seeks to reduce greenhouse gas emissions by 55% between 1990 and 2030, and places the Principality of Monaco on a trajectory of reaching carbon neutrality by 2050.

7.2. POLLUTION AND WASTE MANAGEMENT

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

Several actions have been implemented to reduce environmental impacts on the campuses of Montrouge and Saint-Quentin-en-Yvelines: zero phytosanitary products, eco-products for interior maintenance, and limitation of food waste (display, self-service for fruit and vegetables). Service providers were asked to reduce the amount of waste by prioritising wholesale purchases without overwrapping (HEQ approach and internal “clean worksite” charter). Actions to raise awareness amongst employees are also regularly organised (energy saving, waste management).

The creation of waste sorting centres in Saint-Quentin-en-Yvelines has improved waste monitoring, sorting and recycling rates. In 2021, 78% of the 268 tonnes of waste collected were reused, recovered or recycled.

The Indosuez Wealth Management Group is also determined to reduce its direct impact on the environment and continues to take action to raise the awareness of its employees of eco-friendly behaviour and the implementation of resource management activities and recycling. In 2021, CFM Indosuez received a certificate from the Principality of Monaco’s Environment Department for participating in the European Week for Waste Reduction.

Indosuez Wealth Management in Luxembourg signed the “Zero Single Use Plastic” manifesto and has committed to implementing all the necessary actions to achieve this objective and the removal of products targeted by this manifesto, namely various single-use plastic objects. This initiative is now shared by the other Group entities.

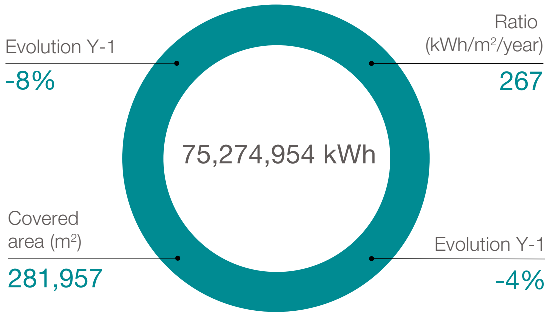
7.3. SUSTAINABLE USE OF RESOURCES

Energy

The indicators relate to consumption of electricity and gas:

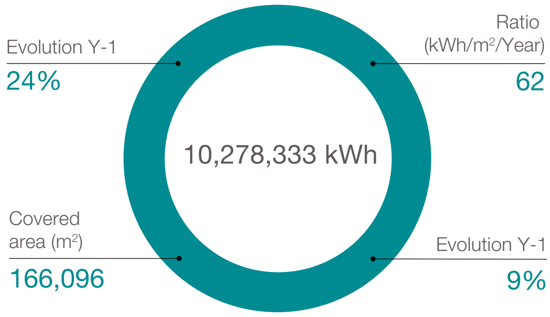
▶ **Electricity in kWh**

2021 consumption of 75,274,954 kWh.



▶ **Gas in kWh**

2021 consumption of 10,278,333 kWh.



ELECTRICITY

The data published by Crédit Agricole CIB covers the electricity consumption of all Crédit Agricole CIB Group entities, including Indosuez Wealth Management entities, data centres and remote sites in the Paris region, over a total area of 281,500m^2.

For Crédit Agricole CIB in the Paris region, the buildings in Montrouge and Saint-Quentin-en-Yvelines consume 100% "green" electricity, meaning that it is generated by renewable sources of energy. Internationally, almost 56% of electricity consumption is "green" (e.g. in London, Madrid and Brazil).

The review of the premises occupied by the Crédit Agricole CIB Group as well as the effects of the Covid-19 pandemic, with the implementation of teleworking and the temporary shutdown of certain campus buildings during the first lockdown, resulted in a drop in energy consumption of nearly 8%.

GAS

The data published by Crédit Agricole CIB covers the gas consumption of all Crédit Agricole CIB Group entities, including those of Indosuez Wealth Management.

The 24% increase in consumption in 2021 compared to 2020 is due to a more stringent climate in 2021 and the consequences of the measures put in place as a result of Covid-19 (100% fresh air handling units without heat recovery, and with extended operating hours). However, consumption was 10% lower than in 2019, due to the lower number of on-site employees in 2021 as a result of the Covid-19 epidemic.

HEAT OR STEAM NETWORKS AND URBAN NETWORK

This source of heating is mainly used in North America, Russia and Luxembourg. On a like-for-like basis, a 14% drop in consumption was recorded in 2021.

Water consumption

With regard to Crédit Agricole CIB in Montrouge, the Eole and Terra buildings are equipped with a rainwater recovery system and use water saving machines for cleaning the floors.

Due to the low occupancy of premises during the Covid-19 pandemic, a 21% decrease in water consumption was recorded on campuses in Ile-de-France. A 38% decrease was recorded in international locations.

7.4. TRAVEL FOOTPRINT

In 2021, transport continued to be particularly impacted by the Covid-19 pandemic worldwide, with a fall of more than 37% in air transport and 36% in rail travel.

Company travel plan and mobility plan

On the Montrouge and Saint-Quentin-en-Yvelines campuses, there are many initiatives in place to raise employee awareness. A car-sharing solution has been introduced, the bicycle park has been expanded and electric charging terminals have been installed.

In compliance with its obligations, on the one hand, under the Energy Transition Act and the filing of a Mobility Plan and, on the other hand, under the objectives set by the Crédit Agricole Group to reduce its greenhouse gas emissions, Crédit Agricole CIB actively participated in the launching, monitoring and completion of work covered in the Mobility Plan.

In 2021, the Covid-19 pandemic meant that remote working and communication methods continued to be used. The widespread use of remote meetings and remote working by the business lines at which such practices are possible helped to reduce the Crédit Agricole CIB Group's carbon footprint.

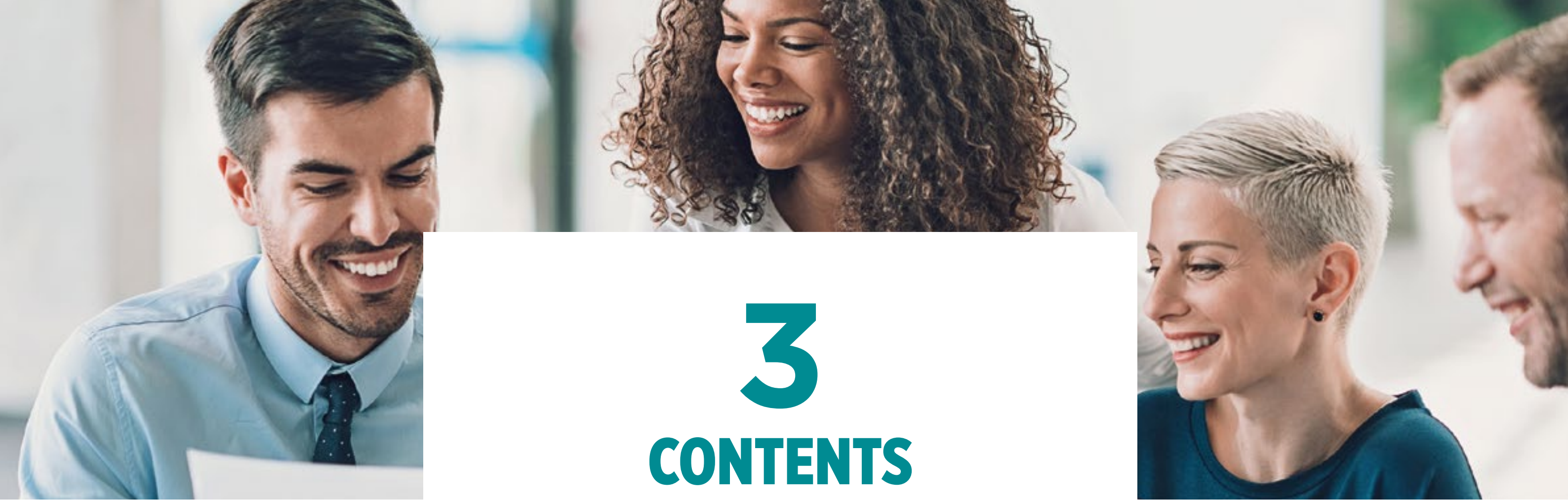
SIGNIFICANT EVENTS IN 2021

Defining a carbon contribution mechanism in order to reduce direct carbon footprint

Crédit Agricole CIB has been analysing a system in which the Bank's business lines make contributions based on the greenhouse gas emissions resulting from their operations (business travel, energy use associated with buildings and IT). This carbon contribution, approved in 2021 by the Executive Committee for implementation in 2022, will finance actions aimed at reducing direct carbon footprints and offsetting the residual emissions from operations.

CORPORATE GOVERNANCE

3



3 CONTENTS

EXECUTIVE COMMITTEE OF CRÉDIT AGRICOLE CIB ON 31 DECEMBER 2021

1 Chief Executive Officer

Jacques RIPOLL

3 Deputy chief executive officers

Jean-François BALAŸ

Olivier BELORGEY

Pierre GAY

4 Deputy General Managers

Stéphane DUCROIZET

Pierre DULON

Didier GAFFINEL

Anne-Catherine ROPERS

3 Senior Regional Officers

Georg ORSSICH

Marc-André POIRIER

Michel ROY

THE BOARD OF DIRECTORS

6 BOARD MEETINGS

in 2021

4 SPECIALISED COMMITTEES

- Audit Committee
- Risks Committee
- Compensation Committee
- Appointments and Governance Committee

96.92% ATTENDANCE RATEE

at the meetings in 2021

1. BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

To the shareholders,

Pursuant to the last paragraph of Article L. 225-37 of the French Commercial Code, the report on corporate governance was prepared by the Board of Directors as a supplement to the management report. It notably presents the information which is required under Articles L.22-10-10, L.22-10-11 and L. 225-37-4 of the French Commercial Code, particularly the information concerning the composition of the management bodies (Executive Management and Board of Directors), the conditions for preparing and organising the work of the Board of Directors and its Committees, and compensation.

It was prepared on the basis of the work of the Board of Directors and its Committees, the Secretariate of the Board of Directors, the Human Resources Department and the procedures and documentation on internal governance existing at Crédit Agricole CIB.

This report was previously presented to the Appointments and Governance Committee and to the Compensation Committee with respect to the sections which are covered by their respective areas of expertise. It was approved by the Board of Directors at its meeting on 8 February 2022.

Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) applies the AFEP-MEDEF Corporate Governance Code, updated in January 2020, available at: http://www.afep.com/ or http://www.medef.com/fr/

Note - Abbreviations used in the Board of Directors' report on corporate governance:
GM: General Meeting
Board: Board of Directors

1.1. ORGANISATION OF THE CORPORATE GOVERNANCE BODIES

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

On 15 May 2002, the Board of Directors decided to separate the position of Chairman of the Board of Directors from the position of Chief Executive Officer, in accordance with Article 13 paragraph 5 of the Company's articles of association (see Chapter 8 of the present Universal Registration Document), the provisions of Law no. 2001-420 of 15 May 2001 on new economic regulations, and Article L.511-58 of the French Monetary and Financial Code [(1)].

This choice followed the resolution passed at the 15 May 2002 General Meeting to change the Crédit Agricole CIB's structure from a French *société anonyme* (public limited company) governed by a Supervisory Board and Management Board to a French *société anonyme* governed by a Board of Directors.

Function	Name	Appointment	Term of office	Powers
Chairman	Philippe BRASSAC	Appointed Chairman of the Board of Directors from 20 May 2015.	- Reappointed for the duration of his director mandate by the Board of Directors meeting on 7 May 2019, i.e. until the conclusion of the Ordinary General Meeting which will rule on the financial statements for 2021 financial year.	- He organises and directs the work of the Board of Directors*. - He ensures that Crédit Agricole CIB's corporate bodies function correctly*. - In particular, he ensures that the directors are able to carry out their duties*. - In general, the Chairman possesses all the powers attributed to him by the legislation in force*. **(Art. 15 of the articles of association)*
Chief Executive Officer	Jacques RIPOLL	Appointed Chief Executive Officer from 1 November 2018	- Appointed Chief Executive Officer by the Board of Directors on 31 October 2018 with effect from 1 November 2018 for an indefinite period.	- He is vested with the broadest powers to act in all circumstances on behalf of Crédit Agricole CIB, within the limits of the company's objects and subject to the powers expressly granted by law to shareholders at general meetings and to the Board of Directors. - He represents Crédit Agricole CIB in its dealings with third parties. **(Art. 16.1 of the articles of association)*

Information on the composition of the Executive Management is available in Section 1.1.4 of this report.

(1) Article L.511-58 of the French Commercial Code provides that the role of Chairman of the Board of Directors of a credit institution cannot be carried out by the Chief Executive Officer.

1.1.2. Composition of the Board of Directors

Composition of the Board of Directors as at 31 December 2021

REMINDER OF PROVISIONS OF THE ARTICLES OF ASSOCIATION

Number of directors on the Board of Directors	The Board of Directors is made up of between six and twenty directors: - at least six of whom are appointed by the shareholders the General Meeting, and - two of whom elected by employees in accordance with the provisions of Articles L. 225-27 to L. 225-34 of the French Commercial Code. *(Art. 9 of the articles of association)*
Period of office as directors appointed by shareholders	The period of office as Director appointed by the General Meeting is three years. *(Article 9.1 of the Articles of Association)*
Directors representing employees	The directors representing the employees, of whom there are two, are elected for a period expiring on the same day: - either following the Annual General Meeting of Shareholders held in the third calendar year following the year in which they are elected, - or on the conclusion of the electoral process organised during that third calendar year if this process is carried out after the General Meeting. *(Art. 9.2 of the articles of association)*
Age of the directors	Any Director reaching the age of sixty-five is considered to have automatically resigned at the end of the Annual General Meeting that follows the date of the anniversary in question. However, the term of office of a Director appointed by the General Meeting who has reached the age limit may be renewed for a maximum of five subsequent one-year periods, provided the total number of Directors aged sixty-five or over does not exceed one third of the total number of Directors in office. *(Art. 10 of the Articles of Association)*
Advisory members of the Board and members of the Economic and Social Committee	The following individuals may also attend meetings of the Board of Directors in an advisory capacity: - the advisory member(s) of the Board appointed by the Board of Directors; - one member of the Economic and Social Committee, appointed by that Committee. *(Art. 9 of the articles of association)*

DIRECTORS AND ADVISORY MEMBERS OF THE BOARD AT 31 DECEMBER 2021

Directors/Advisory members of the board at 31 December 2021	Date of first appointment	Date of last reappointment	End of current term of office	Chairman or Member of a Committee
Philippe BRASSAC (Chairman of the Board of Directors)	23 February 2010 [1]	7 May 2019	2022 GM	
Laure BELLUZZO[1]	2 November 2021		2022 GM	
Paul CARITE	7 May 2019	4 May 2020	2023 GM	Member of the Risk Committee
Claire DORLAND CLAUZEL [3]	9 May 2016	3 May 2021	2022 GM	Chairwoman of the Appointments and Governance Committee Member of the Audit Committee and the Compensation Committee
Michel GANZIN	10 December 2020	3 May 2021	2024 GM	
Olivier GAVALDA	4 May 2018	7 May 2019	2022 GM	Member of the Audit Committee
Françoise GRI	4 May 2017	4 May 2020	2023 GM	Member of the Risk Committee
Guy GUILAUME	3 May 2021		2024 GM	Member of the Audit Committee
Luc JEANNEAU	4 May 2017	4 May 2020	2023 GM	Member of the Compensation Committee Member of the Appointments and Governance Committee
Jean-Guy LARRIVIERE [4]	25 November 2020		2023	Member of the Compensation Committee
Abdel-Liacem LOUAHCHI [4]	25 November 2020		2023	
Meritxell MAESTRE CORTADELLA	4 May 2020		2023 GM	Member of the Audit Committee and the Risk Committee Member of the Appointments and Governance Committee
Anne-Laure NOAT	30 April 2014	4 May 2020	2023 GM	Chairwoman of the Risk Committee and the Compensation Committee Member of the Audit Committee
Catherine POURRE [3]	4 May 2017	3 May 2021	2024 GM	Chairwoman of the Audit Committee Member of the Risk Committee
Odet TRIQUET	4 May 2018	3 May 2021	2024 GM	Member of the Risk Committee
Claude VIVENOT	3 May 2021		2022 GM	
Émile LAFORTUNE (Advisory member of the board)	4 May 2020 [2]		2023	
Christian ROUCHON (Advisory member of the board)	7 May 2019 [2]		2022	

[1] Co-opted by the Board of Directors.
[2] Appointed by the Board of Directors in accordance with Article 17 of the Articles of Association.
[3] Given that Claire Dorland Clauzel and Catherine Pourre have reached the age limit for Directors (Article 10, paragraph 1 of the Articles of Association), their term of office as Directors will expire at the General Meeting to be held on 3 May 2022.
[4] Director elected by employees.

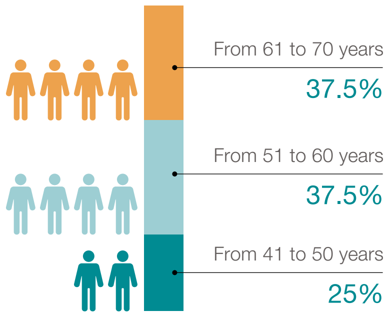
CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2021

Directors	Appointment	Reappointment	End of term of office
Laure BELLUZZO [2]	Cooptation Board Meeting of 2 November 2021		
Jacques BOYER [1]			GM of 3 May 2021
Claire DORLAND CLAUZEL		GM of 3 May 2021	
Michel GANZIN		GM of 3 May 2021	
Guy GUILAUME [1]	GM of 3 May 2021		
Catherine POURRE		GM of 3 May 2021	
Laurence RENOULT [2]			31 October 2021
François THIBAULT [1]			GM of 3 May 2021
Odet TRIQUET		GM of 3 May 2021	
Claude VIVENOT [1]	GM of 3 May 2021		

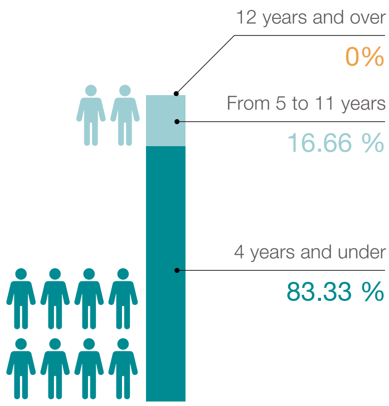
[1] Jacques Boyer and François Thibault have retired. They were respectively replaced by Guy Guilaumé and Claude Vivenot from the General Meeting held on 3 May 2021.
[2] Laurence Renoult took up a new role within the Crédit Agricole Group, which was incompatible with her role as a director of Crédit Agricole CIB. She was replaced by Laure Belluzzo from 2 November 2021.

AVERAGE AGE OF DIRECTORS AT 31 DECEMBER 2021

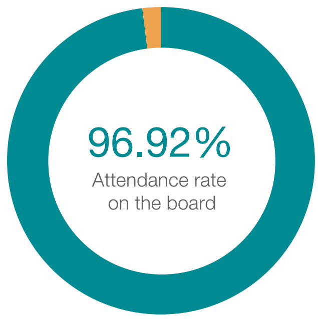
At 31 December 2021, the average age of the Directors on the Crédit Agricole CIB Board of Directors was 58.



SENIORITY IN OFFICE AT 31 DECEMBER 2021



ATTENDANCE RATE OF DIRECTORS AT BOARD OF DIRECTORS' MEETINGS

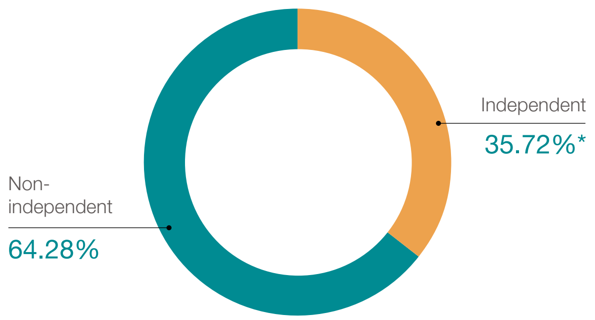


The average rate of attendance of members at Board of Directors' meetings, including members whose term of office expired during the year, was 96.92 % for all Board meetings in 2021.

	Number of Board meetings that the Director should have attended in 2021	Number of Board meetings attended by the Director in 2021	Attendance rate
Philippe BRASSAC	6	6	100.00%
Laure BELLUZZO [4]	1	1	100.00%
Jacques BOYER [2]	2	2	100.00%
Paul CARITE	6	6	100.00%
Claire DORLAND CLAUZEL	6	6	100.00%
Michel GANZIN	6	5	83.33%
Olivier GAVALDA	6	6	100.00%
Françoise GRI	6	6	100.00%
Guy GUILAUME [3]	4	4	100.00%
Jean-Guy LARRIVIERE	6	6	100.00%
Abdel-Liacem LOUAHCHI	6	6	100.00%
Luc JEANNEAU	6	6	100.00%
Meritxell MAESTRE CORTADELLA	6	6	100.00%
Anne-Laure NOAT	6	6	100.00%
Catherine POURRE	6	6	100.00%
Laurence RENOULT [1]	4	4	100.00%
François THIBAULT [2]	2	2	100.00%
Odet TRIQUET	6	5	83.33%
Claude VIVENOT [3]	4	3	75.00%

[1] Laurence Renoult's directorship ended on 31 October 2021 as a result of her new role within the Crédit Agricole Group, which was incompatible with her term of office as a director of Crédit Agricole CIB.
[2] The terms of office of Jacques Boyer and François Thibault ended on 3 May 2021.
[3] Guy Guilaumé and Claude Vivenot were appointed directors at the Ordinary General Meeting of 3 May 2021.
[4] Laure Belluzzo was co-opted by the Board of Directors on 2 November 2021.

INDEPENDENT DIRECTORS ON THE BOARD OF DIRECTORS (IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE)



** Percentage computed according to Recommendation 9.3 of the AFEP-MEDEF Code*

Upon recommendations of the Appointments and Governance Committee, the Board of Directors reviewed the list of Independent Directors at its meeting of 8 February 2022. Based on the information available, there were five Independent Directors at 31 December 2021: Mrs Dorland Clauzel, Mrs Gri, Mrs Maestre Cortadella, Mrs Noat and Mrs Pourre.

At 31 December 2021, the proportion of Independent Directors on the Board of Directors was more than one third of the total number of Directors appointed by the General Meeting of Shareholders. This complies with Recommendation 9.3 of the AFEP-MEDEF Code, which states that at least one third of the Directors appointed by the General Meeting of Shareholders, in companies whose capital is held by a majority shareholder, must be Independent Directors.

The composition of the Board of Directors reflects the Crédit Agricole Group's wish for Chairmen or Chief Executive Officers of regional branches of Crédit Agricole to be represented on the Boards of Directors of some of Crédit Agricole S.A.'s subsidiaries. These Directors who come directly from the Crédit Agricole Group are not considered to be independent because of their functions inside the Group.

TABLE OF INDEPENDENT DIRECTORS (AFEP-MEDEF CRITERIA)

Note: ✓ indicates that the criterion was met / x indicates that the criterion was not met

31 December 2021 (revised on 8 February 2022)	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Criterion 9
Claire DORLAND CLAUZEL	✓	✓	✓	✓	✓	✓	✓	N/A	
Françoise GRI	x*	✓	✓	✓	✓	✓	✓	N/A	(*) Criterion 1: Mrs Gri is also: An Independent Director of Crédit Agricole S.A. Her position was examined by the Appointments and Governance Committee and the Board of Directors which, pursuant to criterion 9 below, decided that Mrs Gri could be considered as independent.
Meritxell MAESTRE CORTADELLA	✓	✓	✓	✓	✓	✓	✓	N/A	
Anne-Laure NOAT	✓	✓	✓	✓	✓	✓	✓	N/A	
Catherine POURRE	x*	✓	✓	✓	✓	✓	✓	N/A	(*) Criterion 1: Mrs Pourre is also: An Independent Director of Crédit Agricole S.A. Her position was examined by the Appointments and Governance Committee and the Board of Directors which, pursuant to 9 below, decided that Mrs Pourre could be considered as independent.

For each director, this assessment was based on the independence criteria in points 9.5 to 9.7 of the AFEP-MEDEF Code, as set out below:

Criterion 1

Employee corporate officer within the past five years (see § 9.5.1 of the AFEP-MEDEF Code)

Not to be and not to have been within the previous five years:

- an employee or Executive Officer of the Company;
- an employee, Executive Officer or Director of a company consolidated within the corporation;
- an employee, Executive Officer or Director of the company's parent company or a company consolidated within this parent company.

Criterion 2

Cross-directorships (see § 9.5.2 of the AFEP-MEDEF Code)

Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in wich an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3

Significant business relationships (see § 9.5.3 of the AFEP-MEDEF Code)

No to be a costumer, supplier, commercial banker, investment banker or consultant:

- that is significant to the corporation or its group;
- or for which the corporation or its group represents a significant portion of its activity.

Criterion 4

Family ties (see § 9.5.4 of the AFEP-MEDEF Code)

Not to be related by close family ties to a corporate officer.

Criterion 5

Statutory auditor (see § 9.5.5 of the AFEP-MEDEF Code)

Has not been a Statutory Auditor of the Company in the last five years.

Criterion 6

Period of office exceeding 12 years (see § 9.5.6 of the AFEP-MEDEF Code)

Not to have been a director of the corporation for more than 12 years. Loss of the status of independent director occurs on the date of the 12th anniversary.

Criterion 7

Status of non-executive officer (see § 9.6 of the AFEP-MEDEF Code)

A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation group.

◆ Criterion 8

Status of major shareholder

Directors representing major shareholders in the Company or its parent company may be deemed independents providing that the shareholders do not participate in the control of the Company. However, should the shareholder own more than 10% of the capital or voting rights, the Board, based on a report by the Appointments Committee, must systematically query the Director's independence, taking into account the Company's ownership structure and the existence of a potential conflict of interest (see §9.7 of the AFEP-MEDEF Code).

◆ Criterion 9

Discretion of the Board of Directors in determining independence

The Board of Directors may take the view that a Director who fulfils the aforementioned criteria should not be deemed independent because of his or her particular situation or that of the Company, given the Company's ownership structure or for any other reason. Conversely the Board may consider that a Director although not satisfying the above criteria is however independent (see §9.4, last paragraph of the AFEP-MEDEF Code).

The situation of the two Independent Directors (Françoise Gri et Catherine Pourre) was examined with respect to the first criterion.

Françoise Gri et Catherine Pourre are Directors of Crédit Agricole S.A.. The Appointments and Governance Committee and the Board of Directors of Crédit Agricole CIB considered that this situation reflected Crédit Agricole S.A.'s desire for the Chairwomen of its Audit Committee and Risk Committee to play a special role vis-à-vis its subsidiaries to ensure continuity in their mission and that this situation was unlikely to jeopardise their independence.

The situation of the five female Independent Directors was examined with regards to the third criterion.

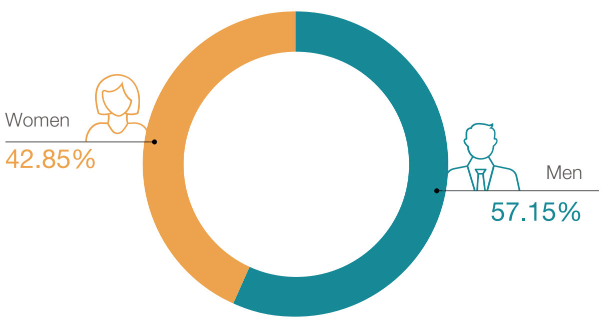
The Appointments and Governance Committee and the Board of Directors noted that the companies in which the five Directors hold functions or corporate mandates, or with which they have a business relationship, do not have any commercial dealings with Crédit Agricole CIB, are not considered to be suppliers or significant advisors of Crédit Agricole CIB, or that the commercial NBI realised by Crédit Agricole CIB with these entities is insignificant and unlikely to jeopardise their independence. This review was carried out for:

- CVC Capital Partners, APRIL Group and ENCLAR Conseil (Meritxell Maestre Cortadella),
- Eurogroup Consulting (Anne-Laure Noat),
- Edenred, WNS Services, Omnes Education and Française des Jeux (Françoise Gri),
- SEB, Bénéteau and Unibail Rodamco Westfield NV (Catherine Pourre).

1.1.3. Diversity within the Board of Directors and the governing bodies of Crédit Agricole CIB

DIVERSITY WITHIN THE BOARD OF DIRECTORS

◆ Balanced representation of men and women on the Board of Directors



At 31 December 2021, the Board of Directors had six female members, i.e. 42.85% of the Directors appointed by the General Meeting of Shareholders.

In accordance with Article 435[2 c] of EU Regulation No. 575/2013 and Article L. 511-99 of the French Monetary and Financial Code, the Appointments and Governance Committee reviewed the objective of a balance between the genders on the Board of Directors, and the policy required to achieve it.

It is recalled that pursuant to Article L. 225-17 of the French Commercial Code, there must be a balanced representation of women and men on the Board of Directors. In accordance with Article L. 225-18-1 of the French Commercial Code, this balanced representation on the Board of Directors of Crédit Agricole CIB must result in at least a 40% proportion for each sex.

The Appointments and Governance Committee also noted that the proportion of women among the Directors appointed by the General Meeting of Shareholders of Crédit Agricole CIB was 42.85%. Crédit Agricole CIB has an objective of maintaining this ratio at 40% minimum for each sex. The policy developed involves actively seeking suitable high-quality candidates – both men and women – in order to ensure that this ratio is respected if the members of the Board of Directors changes, whilst ensuring complementarity between the Directors' careers, experiences and skills.

◆ Diversity policy within the Board of Directors

In keeping with its Social Responsibility policy, Crédit Agricole CIB aims to promote diversity at all levels, particularly among members of its Board of Directors.

SELECTION OF CANDIDATES FOR DIRECTORSHIPS

To this end, when considering new appointments, the Board of Directors takes diversity into account to ensure a sufficient range of qualities and skills allowing a variety of points of view relevant to the decision-making process.

Priority is given to the candidate's ability to maintain a complementarity in career paths, experiences and skills within the Board of Directors, in particular by taking into account their knowledge of the banking sector as defined by the guidelines of the European Banking Authority on internal governance (EBA/GL/2021/12 of 02/07/2021), and the European Central Bank Guide dated May 2018 relative to the fit and proper evaluation, or any other text which would replace or supplement them.

The Appointments and Governance Committee and the Board of Directors have no policy concerning the age limit of the members of the Board of Directors since priority is given to examining their experience and competence. For this reason, the legal and regulatory requirements naturally lead to the selection of candidates with recognised skills and experience in accordance with the applicable texts.

The search for Director candidates is carried out by gathering suggestions from the members of the Board of Directors and the Crédit Agricole Group.

This approach aims to ensure that the composition of the Board of Directors reflects the shareholding structure of Crédit Agricole CIB, which is 100% owned by Crédit Agricole Group companies, as well as to attract Directors with diversified and complementary profiles in terms of training, skills and professional experience while respecting the legal minimum proportions in terms of gender equality (40% representation for each sex) and the number of Independent Directors (one third of board members) pursuant to the AFEP-MEDEF Code.

DIRECTORS ELECTED BY EMPLOYEES AND ADVISORY MEMBERS OF THE BOARD

The Board of Directors of Crédit Agricole CIB, in accordance with the provisions of Articles L. 225-27 et seq. of the French Commercial Code, must also include at least two directors elected by employees and may appoint one or more non-voting advisory members of the Board of Directors in accordance with Article 17 of the articles of association (see Chapter 8 of the present Universal Registration Document). These provisions help to enhance diversity within the Board of Directors.

Jean-Guy Larrivière (management salaried employee body) and Abdel-Liacem Louahchi (non-management salaried employee body) were elected as Directors on 25 November 2020 to represent employees in accordance with Articles L. 225-27 et seq. of the French Commercial Code and Article 9 of the Company's Articles of Association (see Chapter 8 of the present Universal Registration Document).

Émile Lafortune and Christian Rouchon were appointed as Advisory members of the board by the Board of Directors, on 4 May 2020 and on 7 May 2019 respectively, for a period of three years each, in accordance with the provisions of Article 17 of the Company's Articles of Association (see Chapter 8 of the Universal Registration Document) to assist the development of Crédit Agricole CIB's relations with the Regional Banks, particularly with regard to the monitoring of Mid-caps clients.

NATIONALITY OF DIRECTORS

Fifteen of Crédit Agricole CIB's Directors are French nationals, and one Director is an Andorran national, opening up internationally the Board of Directors more international.

DIVERSITY WITHIN THE GOVERNING BODIES

Convinced that diversity is a powerful driver of performance and innovation, Crédit Agricole CIB has for several years now been following a proactive diversity policy so its corporate culture becomes more inclusive.

To identify the main issues and measure the effectiveness of its diversity policy, Crédit Agricole CIB regularly analyses its gender distribution indicators within its management.

At 31 December 2021, women accounted for 43.6% of the global workforce and 32.6% of Crédit Agricole CIB managers. The Executive Committee and the Management Committee were made up of 9.1% and 18.8% women respectively.

Moreover, in terms of gender diversity within the top 10% of high-level positions of responsibility, the results show that the feminisation of Circle 1, comprising 27 people, is 18.5%, and Circle 2, comprising 132 people, is 20.5%.

For several years, Crédit Agricole CIB has been rolling out an action plan aimed at increasing the number of women sitting on its management bodies:

- The main areas of the professional gender equality agreement renewed in France in 2021 for a period of 3 years are: to ensure balanced job recruitment and equal pay, train employees in, and raise their awareness of, the principles of professional equality and non-discrimination, support all employees in the promotion of their careers with particular attention paid to women, to continue to offer support for women on their return to work after maternity leave and to promote paternity and childcare leave.
- Crédit Agricole CIB supports its female talent, both in France and abroad, through a range of leadership development programmes. The programmes' objectives are to provide women with the keys to strengthening their strategic positioning, developing their networks and progressing within management bodies.
- In 2017, Crédit Agricole CIB also launched its "Corporate Mentoring Programme" on a global scope, enabling Crédit Agricole CIB's talents to be supported by members of the Executive Committees or Business Line and Country Management Committees. This experience-sharing programme's aim is to promote greater diversity within the teams. As such, since its launch, Crédit Agricole CIB has set itself gender equality targets when selecting mentees, ensuring that women represent more than 50% of the participants (to date, 99 employees have benefited from the Corporate Mentoring Programme, or 54% of mentees). In addition, each year female employees of Crédit Agricole CIB are selected to participate in the Crédit Agricole Group's mentoring programme.
- Awareness-raising initiatives for all employees are also organised as part of Diversity Month, and throughout the year with the Diversity Academy. Crédit Agricole CIB's teams work closely with the "Potenti'elles" network and the diversity promotion networks created at its various sites.

To supplement this action plan and build up a pool of women that may then increase the number of women on the Management Committee and the Executive Committee, Crédit Agricole CIB has set itself the objective of increasing the proportion of women within Circle 1 to 30% by 2024. To achieve this, Crédit Agricole CIB is committed to:

- Systematically including a woman in the candidates for management and Circle 1 or Circle 2 roles, it being specified that, above, all, Crédit Agricole CIB looks for candidates with the requisite experience and skills for the position to be filled.
- Put in place succession plans for management and executive positions that incorporate diversity and equal opportunity objectives.
- Align all HR processes (recruitment, mobility, etc.) with these objectives.

In order to accelerate the feminisation and internationalisation of its management bodies (EXCOM and MANCOM, Circles 1 and 2), in 2020, Crédit Agricole CIB conducted a global review of its strategic talent pool allowing to enrich its succession plans. As a result of a special focus on diversity criteria, particularly gender diversity, 40% of identified talents are women. In line with the objectives set by Crédit Agricole S.A., Crédit Agricole CIB aims to achieve 50% women and 40% foreign nationals in this pool by the end of 2022.

In addition, as the long-standing partners of the Financi'Elles federation, Crédit Agricole S.A. and Crédit Agricole CIB reaffirmed their commitment to introducing ambitious Human Resources policies in the area of gender equality by signing, in November 2021, the Financi'Elles Charter of Commitments on 10-year anniversary of the federation of the banking, finance and insurance networks.

Finally, under the terms of Article L. 225-37-1 of the French Commercial Code, the Board of Directors deliberates annually on Crédit Agricole CIB's policy in the area of equal pay and opportunity and the implementation of the gender equality plan. On this occasion, it reviews the results achieved, and particularly the gender equality index. In France, Crédit Agricole CIB's gender equality index was 85 out of 100 in 2021.

1.1.4. Composition of the Executive Management and limitations on the Chief Executive Officer's powers

COMPOSITION OF THE EXECUTIVE MANAGEMENT AT 31 DECEMBER 2021

	Position	Appointment	End of term of office
Jacques RIPOLL	Chief Executive Officer	1 November 2018	Indefinite
Jean-François BALAŸ	Deputy Chief Executive Officer	1 January 2021	Indefinite
Olivier BELORGEY	Deputy Chief Executive Officer	1 January 2021	Indefinite
Pierre GAY	Deputy Chief Executive Officer	1 January 2021	Indefinite

The Chief Executive Officer and Deputy Chief Executive Officers are also the effective senior corporate executives within the meaning of the French Monetary and Financial code and the regulation which apply to credit institutions.

LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The limitations on the Chief Executive Officer's powers are specified below, as well as in the presentation of the powers of the Board of Directors in Section 1.2.2 "Powers of the Board of Directors".

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

These rules of procedure also stipulate that the Chief Executive Officer is required to refer all significant projects concerning Crédit Agricole CIB's strategic decisions, or that may affect or alter its financial structure or scope of activity, to the Board of Directors, requesting instructions. In addition, as mentioned in Section 1.2.2 "Powers of the Board of Directors", as a purely internal limitation that is not binding on third parties, the Chief Executive Officer is required to obtain prior authorisation from the Board of Directors or its Chairman before entering into certain types of transactions.

1.2. FUNCTIONING, PREPARATION CONDITIONS AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

The functioning, preparation conditions and organisation of the work of the Board of Directors comply with the laws and regulations currently in force, Crédit Agricole CIB's Articles of Association (see Chapter 8 of the present Universal Registration Document), the rules of procedure applicable to the Board of Directors and internal governance directives.

1.2.1. Meetings of the Board of Directors

MEETINGS FREQUENCY

The Articles of Association (see Chapter 8 of the present Universal Registration Document) state that the Board of Directors shall meet as often as the interests of Crédit Agricole CIB require, at the request of the Chairman or at least one third of the Directors.

TELECOMMUNICATION METHODS

The Board's rules of procedure state that, unless otherwise decided by the Chairman, the Board of Directors may hold its meeting using telecommunication methods that allow for the identification of Directors and ensure their full participation (Article 11 of the Articles of Association – see Chapter 8 of the present Universal Registration Document) provided that, as required by law, the proceedings do not concern the preparation and approval of the annual separate and consolidated financial statements or the management reports.

1.2.2. Powers of the Board of Directors

The powers of the Board of Directors are listed in Article L. 225-35 of the French Commercial Code and are detailed in the Board of Directors' rules of procedure.

Within the framework of the mission entrusted to it by law and by banking regulations, and in view of the powers vested in the Executive Management, the Board of Directors:

- defines Crédit Agricole CIB's strategy and general policies.
- approves, as necessary and as proposed by the Chief Executive Officer and/or the Deputy Chief Executive Officers, the resources, structures and plans allocated for the implementation of the general strategies and policies it has defined.

- rules on all the questions connected with Crédit Agricole CIB's administration submitted to it by the Chairman and the Chief Executive and by its Specialised Committees or on any other question which is submitted to it.

In addition to the aforementioned powers and those conferred upon it by law and the rules of procedure, the Board of Directors decides on the following on the proposal of the Chief Executive Officer and/or the Deputy Chief Executive Officers:

- all external growth and downsizing operations for Crédit Agricole CIB by way of:
  - the creation, acquisition or disposal of any subsidiaries or equity investments (excluding entities created for one or more specific transactions);
  - the opening or closure of any branch abroad;
  - the acquisition, disposal, exchange or integration of new businesses or parts of businesses ;

likely to lead to an investment or disposal that may amount to more than €50 million;

- the provision of collateral to guarantee Crédit Agricole CIB's commitments (except for financial market transactions), when such collateral relates to Crédit Agricole CIB's assets with a value of more than €50 million.
- the purchase or sale of real estate made in the name or on behalf of Crédit Agricole CIB, when the amounts of these transactions exceed €30 million;
- also has specific powers regarding other legal and regulatory provisions applicable to credit institutions and companies whose securities are traded in a regulated market in terms of corporate governance, compliance, risk management and internal control.

1.2.3. Referral procedure, information procedure and terms of the Board's intervention – Conflicts of Interest

CONDITIONS OF INTERVENTION OF, AND THE MEANS OF REFERRAL TO THE BOARD OF DIRECTORS

In order to enable the Secretary of the Board of Directors to prepare for Board meetings, an internal Crédit Agricole CIB governance document sets out the conditions of intervention of, and the means of referral to the Board of Directors. This document notably stipulates the conditions under which the head office or branch departments must inform the Secretary, within the scope of the schedule for the Board of Directors' meetings, of the points which are liable to be added to the draft agenda for each meeting as well as the information documents. The draft agenda is then sent for approval to the Chairman of the Board of Directors.

CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICES

The Board of Directors' rules of procedure specify the roles of the Board of Directors' Committees. They also contain a reminder of the principles and best practices for corporate governance that help to raise the quality of the work undertaken by the Board of Directors, including the provision of the information necessary for the Directors to usefully contribute to the issues entered into the agenda, the obligations of confidentiality, and the obligations and recommendations regarding privileged information and conflicts of interest, the details of which are restated in Section 1.3.3 "Ethics, conflicts of interest and privileged information".

PROCEDURE ON RELATED-PARTY AGREEMENTS

The Board of Directors, in accordance with Articles L. 225-38 et seq. of the French Commercial Code, authorises related-party agreements prior to their signature. The Directors and Managers directly or indirectly involved in the agreement do not take part in the deliberations and the voting.

Information relating to the agreements for the 2021 financial year (new agreements, concluded and authorised, as well as those entered into previously which continued in 2021) is sent to the Statutory Auditors, who will present their special report to the General Meeting of Shareholders (see section 3 of Chapter 7 "Parent company financial statements at 31 December 2021").

At its meeting held on 8 February 2022, the Board reviewed the related-party agreements previously entered into and approved and still in force in 2021, in accordance with the provisions of Article L. 225-40-1 of the French Commercial Code.

1.2.4. Activities of the Board of Directors in 2021

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met six times during the 2021 financial year.

PROCEDURES FOR MEETINGS OF THE BOARD OF DIRECTORS

In accordance with Crédit Agricole CIB's Articles of Association, the Board of Directors' rules of procedure and Order No. 2020-321 of 25 March 2020 as amended and extended, the Board of Directors met face-to-face or remotely several times in 2021 using telecommunication methods, allowing Directors to continue performing their duties despite the public health restrictions related to the Covid-19 pandemic.

PRIOR TRANSMISSION OF DOCUMENTS TO THE BOARD OF DIRECTORS

For almost all the items on the agenda of Board meetings, supporting documentation is broadcasted several days before the meeting.

PRINCIPAL MATTERS EXAMINED DURING BOARD MEETINGS, FOLLOWING ANY NECESSARY INITIAL ANALYSIS BY THE SPECIALISED COMMITTEES, WERE AS FOLLOWS:

◆ Concerning business and strategy

The Board of Directors was given a quarterly presentation on Crédit Agricole CIB's commercial activity, and a presentation on the 2022 budget.

Besides, a Seminar on the Bank's activity and strategy was also held on September 2021.

Concerning the financial statements, the financial position and the dealings with the statutory auditors

In accordance with regulatory requirements, the Board of Directors approved the corporate and consolidated financial statements for the 2020 financial year and examined the half-yearly and quarterly results during 2021. The Chairwoman of the Audit Committee presented a report on the work of the Audit Committee each time the Board of Directors examined these financial statements, and the Statutory Auditors informed the Board of their observations.

Concerning risks and internal control

After hearing the Risk Committee, the Board of Directors examined the following on a quarterly basis:

- the position of Crédit Agricole CIB with regard to the different risks to which it is exposed (market risks, counterparty risks, operational risks, cost of risk and provisions, broken down by country and by segment) and with regard to the previously approved risk appetite;
- the position of Crédit Agricole CIB in terms of compliance with regular updates on the implementation of the OFAC remediation plan following the commitments given to US authorities;
- the position regarding liquidity.

Half-yearly updates were also presented to the Board of Directors:

- on periodic control missions (Control and Audit);
- on the report on internal control (annual report and half-year information, RACI).

The following were also presented to the Board of Directors:

- the annual report by the Chief Compliance Officer on Investment Services (RCSI);
- the 2022 audit plan;
- the communications from the supervisory authorities, the answers provided and the actions implemented to address the observations made.

The Board of Directors also approved:

- updates to the risk appetite and the related statement;
- the liquidity risk management and control system and the procedures, systems and tools for measuring this risk as well as the emergency liquidity plan;
- the list of major risks and the stress tests programme;
- on a quarterly basis, Crédit Agricole CIB's risk strategies approved by the Strategy and Portfolio Committee (CSP) and the Group Risk Committee (CRG);
- a review of the criteria and thresholds used to define significant incidents detected by the internal control procedures which remain unchanged compared to last year;
- the statement on the adequacy of the risk control mechanism and the quality of the information given to the Board;
- the ICAAP and ILAAP statements;
- the declaration of the fight against modern slavery as part of the Modern Slavery Act 2015;
- internal control reports (corporate and consolidated) dedicated to the fight against money laundering and the financing of terrorism.

Concerning governance, compensation and human resources

After hearing the Appointments and Governance Committee, the Board of Directors then:

- reviewed its composition as well as that of the Specialised Committees;
- put forward the appointments of new members of the Board of Directors and the renewal of various others at the General Meeting;
- reviewed the qualification of Independent Directors within the scope of the criteria in the AFEP-MEDEF Code;
- carried out a collective and individual self-assessment of the Board of Directors;
- reviewed the independence, potential conflicts of interest, reputation and good integrity of the directors;
- acknowledged the policy adopted by the Appointments and Governance Committee in terms of the balanced representation of men and women within its membership;
- approved a diversity policy for the Board of Directors;
- reviewed the Board's Rules of Procedure to consider the regulatory change relating to the role granted at the Board about climate and environmental risks, and IT risk.

After hearing the Compensation Committee, the Board of Directors then:

- approved the budget for the variable compensation of the employees;
- approved Crédit Agricole CIB's compensation policy;
- examined the report required by the French Prudential Supervision Authority presenting information regarding Crédit Agricole CIB's compensation policy and practices;
- acknowledged the social audit and the international workforce statistics;
- reviewed the methodology for determining identified staff;
- discussed Crédit Agricole CIB's policies on gender equality and equal pay.

The Board of Directors approved the terms of the Corporate Governance report, the terms of the management report, approved the agenda and the resolutions of the Annual Ordinary General Meeting and the terms of its report to this General Meeting.

It regularly reviewed the list of people authorised for bond issues and approved the arrangements for the training of the Directors elected by employees.

Concerning related-party agreements

In accordance with the provisions of Article L. 225-38 of the French Commercial Code, the Board of Directors authorised the following related-party agreements:

- Letters of guarantee for three new directors;
- Agreement on the payment by Crédit Agricole CIB of CA Indosuez's corporate income tax liability on the foreign exchange differences relating to equity investments in CHF received as part of the merger by absorption of CA Indosuez Wealth (Group) carried out by CA Indosuez on 1 July 2021.

Detailed information about regulated agreements is presented by the Statutory Auditors in their special report in Chapter 8 of the present Universal Registration Document.

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board of Directors re-examined the agreements entered into and authorised during previous financial years that continued to be executed in the course of the financial year 2021.

1.2.5. Assessment of the expertise and functioning of the Board of Directors

ASSESSMENT OF THE COLLECTIVE AND INDIVIDUAL EXPERTISE OF THE DIRECTORS - ARTICLE L.511-98 OF THE FRENCH MONETARY AND FINANCIAL CODE

The Appointments and Governance Committee carried out an assessment of the collective and individual expertise of Directors based on a self-assessment undertaken in the fourth quarter of 2021. In this regard, the directors were asked to assess themselves in fifteen areas of expertise: financial markets, legal and regulatory requirements, banking activities, strategic planning, risk management, internal audit, financial accounting, bank governance, the interpretation of financial information, information technology and security, corporate management, experience abroad, corporate social responsibility, climate and environmental risks, human resources/compensations.

The conclusions of this assessment, which were presented to the Board of Directors, reveal that all areas of expertise, both banking and non-banking, are covered.

The Board of Directors has significant expertise in the following areas: Human resources/Compensation, Corporate social responsibility, Corporate Management, Interpretation of financial information, Bank Governance, Internal Audit, Risk Management, Strategic Planning, Banking Activity, Legal and Regulatory Framework, Financial Markets. By way of example:

- 13 Directors consider that they have significant expertise in the areas of "Legal and Regulatory Framework" and "Knowledge of Crédit Agricole CIB";
- 11 Directors consider that they have significant expertise in the areas of "Financial Markets" and "Human Resources/ Compensation";
- 10 Directors consider that they have significant expertise in the areas of "Risk Management", "Governance" and "Interpretation of Financial Information".

Directors were also invited to provide their opinion on various issues, such as their understanding of Crédit Agricole CIB's business lines and challenges, potential conflicts of interest, training requirements, their preparation for Board meetings, or the existence of any ongoing proceedings or judicial, administrative or disciplinary decisions that could call their integrity into question.

The directors did not declare any actual conflicts of interest and no proceedings or decisions that might result in reputational risk. They all considered that they arrived well prepared for Board meetings.

ASSESSMENT OF THE FUNCTIONING OF THE BOARD OF DIRECTORS - §10 OF THE AFEP-MEDEF CODE

A self-assessment of the performance of the Board of Directors was conducted during 2021, based on a collective questionnaire consisting of 74 questions accessible for the first time electronically by Board members. The questions concerned the organisation of the Board of Directors, its operation, its composition and the quality of relationships within it, the work of the various Committees of the Board of Directors, and the training and information provided for the Directors. The self-assessment was administered by the Appointments and Governance Committee and presented to the Board.

The results obtained in 2021 were satisfactory and stable overall compared to those obtained in 2020.

Transparency of information is recognised together with the completeness and density of the information transmitted.

As a result of the new questions that were asked, this self-assessment represented an opportunity for directors to share their expectations and proposals on improving the functioning of the Board of Directors and the quality of the discussions. Their feedback revealed some areas that required improvement. Accordingly, the Appointments and Governance Committee and the Board of Directors noted:

- a shared desire to open up the agenda of Board meetings to strategic issues, information on current projects or the competitive environment,
- converging expectations on the conduct of Board meetings to encourage discussions,
- a broadly shared view that remote meetings held as a result of the health crisis (Covid-19) were not always conducive to fruitful discussions.

3

1.2.6. Training of directors

TRAINING OF NEW DIRECTORS

A procedure established in 2013 to welcome new Directors consists of a welcome booklet, which includes the main documents covering the governance and social bodies of Crédit Agricole CIB, its strategy and its budget, the Universal Registration Document and the activity report of the previous year.

When a new Director first joins the Board, meetings can also be organised between the new Director and Executive Management members, the Head of Risks and Permanent Control, the Chief Financial Officer, the Chief Compliance Officer and the Head of Internal Audit.

In addition, newly appointed Directors benefit from training organised by the Crédit Agricole S.A. Group on governance and compliance issues.

TRAINING PROVIDED TO ALL DIRECTORS

In addition to the programme established for new Directors, training measures for all Directors continued during the 2021 financial year.

A seminar for Directors, held in September 2021, provided an opportunity to gain a better understanding of the expectations of Crédit Agricole CIB's clients by meeting a client and improving their knowledge of Crédit Agricole CIB's activities and strategy. A technical training session on CSR/Sustainable Finance and Compliance was held on 2 November 2021.

Directors also benefit from permanent access to an e-learning programme offering various courses on the theme of compliance.

If judged opportune, a Director can receive individual training especially on taking up new functions on the Board of Directors or its Committees.

TRAINING FOR DIRECTORS ELECTED BY EMPLOYEES

In accordance with the provisions of Articles L. 225-30-2 and R. 225-34-3 of the French Commercial Code, the Board of Directors, determined the training to be followed by the employee directors in 2021 and additional training courses were offered.

1.2.7. Specialised Committees of the Board of Directors

There are four Specialised Committees of the Board of Directors: Audit Committee, Risk Committee, Appointments and Governance Committee and Compensation Committee.

The members of these Committees are appointed by the Board of Directors in accordance with its rules of procedure.

The Specialised Committees:

- assist the Board of Directors in its duties and in preparing for discussions. They may, for example, conduct studies or submit opinions or recommendations to the Board;
- interact where appropriate to ensure consistency in their work. Each Committee reports on its work to the Board of Directors so that members can be fully informed when participating in discussions;
- carry out the missions that are assigned by the law and the regulations in force, as well as by the rules of procedure of the Board of Directors;
- meet periodically and as necessary, in order to review any subject within their remit;
- in carrying out their mission, may request access to all the information they deem relevant;
- base their work mainly on the summary information provided by the departments and on the interviews or meetings that they hold with Company people deemed useful for the performance of their missions; if they so wish, these interviews or meetings can be held without the presence of the Executive Management;
- after informing the Chairman of the Board of Directors, and in order to report to the Board of Directors, they can have any studies required to assist the Board's deliberations drawn up at Crédit Agricole CIB's costs, after verifying the objectivity of the expert selected.

AUDIT COMMITTEE

6
Number of directors

66.66%
Independent Board members' rate

67% of women

7
Number of meetings in 2021

97.22%
Average attendance rate in 2021

RISKS COMMITTEE

6
Number of directors

66.66%
Independent Board members' rate

67% of women

7
Number of meetings in 2021

95.23%
Average attendance rate in 2021

APPOINTMENTS AND GOVERNANCE COMMITTEE

3
Number of directors

66.66%
Independent Board members' rate

67% of women

6
Number of meetings in 2021

83.33%
Average attendance rate in 2021

COMPENSATION COMMITTEE

4
Number of directors

66.66%
Independent Board members' rate[1]

50% of women

3
Number of meetings in 2021

100%
Average attendance rate in 2021

[1] *Computation excluding employee directors in accordance wit AFEP-MEDEF Code*

AUDIT COMMITTEE

Composition of the Audit Committee at 31 December 2021

The rules of procedure of the Board of Directors stipulate that the Audit Committee is composed of at least four Directors.

In accordance with the AFEP-MEDEF Code (§16.1), Independent Directors account for two-thirds of members.

Short biographies of members of this Committee are available in Section 1.3 "Other information about the corporate officers" of this report.

MEMBERS OF THE AUDIT COMMITTEE AT 31 DECEMBER 2021

Catherine POURRE	Independent Director Chairwoman of the Committee	Appointed a member of the Audit Committee by the Board of Directors at its meeting held on 4 May 2017 Appointed Chairwoman of the Audit Committee by the Board of Directors at its meeting held on 4 May 2020
Claire DORLAND CLAUZEL	Independent Director	Appointed a member of the Audit Committee by the Board of Directors at its meeting held on 9 May 2016
Olivier GAVALDA	Director	Appointed a member of the Audit Committee by the Board of Directors at its meeting held on 7 May 2019
Guy GUILAUMÉ	Director	Appointed a member of the Audit Committee by the Board of Directors at its meeting held on 3 May 2021
Meritxell MAESTRE CORTADELLA	Independent Director	Appointed a member of the Audit Committee by the Board of Directors at its meeting held on 4 May 2020
Anne-Laure NOAT	Independent Director	Appointed a member of the Audit Committee by the Board of Directors at its meeting held on 30 April 2015

Missions of the Audit Committee

The Committee meets as and when necessary and at least quarterly.

It liaises with the Statutory Auditors as often as required, and for the preparation of the interim and annual financial statements.

EXTRACT FROM THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS, ARTICLE 1.2.2.4

"The Committee's primary purpose is to monitor management issues related to the development and review of the corporate and consolidated financial statements, the effectiveness of the internal control and risk management systems with respect to the procedures in the preparation and treatment of accounting and financial information, monitoring the work of the Statutory Auditors on these issues and their independence.

Without prejudice to the powers of the Board of Directors, its powers are in particular:

To monitor the process of compiling financial information:

It monitors the process for preparing the financial information and if necessary, makes recommendations to guarantee the integrity of this information. It checks the relevance and performance of the accounting principles adopted by the Company to prepare the parent company's financial statements and the consolidated financial statements.

To review the corporate and consolidated financial statements

It examines the draft corporate and consolidated annual, half-yearly, and quarterly financial statements, before submisision to the Board of Directors.

To review and monitor the effectiveness of the internal control and risk management systems relating to financial and accounting information

It examines and monitors, without its independence being impaired, the effectiveness of the internal control and risk management systems, regarding the procedures related to the preparation and treatment of accounting and financial information. In this, it makes an assessment of the quality of the internal control, proposes complementary actions if and as necessary, monitors the work of the teams who are responsible for internal control, including internal audit.

To monitor the independence and objectivity of the Statutory Auditors - Approves the provision by the Statutory Auditors of the services mentioned in Article L. 822-11-2 of the French Commercial Code

In accordance with the legal provisions and regulations applicable:

- It conducts the selection procedure when appointing the Statutory Auditors and makes a recommendation for the attention of the Board of Directors on their renewal or appointment.
- It ensures compliance by the Statutory Auditors on the conditions of independence defined by the French Commercial Code and tracks all related issues. Where applicable, in consultation with the former, it determines measures to preserve their independence.
- It approves the provision by the Statutory Auditors of the services mentioned in Article L. 822-11-2 of the French Commercial Code.

To monitor the fulfilment of the Statutory Auditors' mission:

- It monitors how the Statutory Auditors perform their mission, and in particular examines their work programme, findings and recommendations. It receives their additional annual report on the results of the statutory audit of the financial statements.
- It takes account of the findings and conclusions of the Statutory Auditors Audit Council (Haut conseil du Commissariat aux Comptes) if controls are carried out in accordance with the provisions of the French Commercial Code.

The Committee can make any recommendation concerning its missions and powers.

It may review all questions particularly of an accounting or financial nature that are submitted to it by the Chairman of the Board of Directors or Chief Executive Officer.

It regularly reports to the Board of Directors on the performance of its missions and the results of the audit of the financial statements, the way in which such mission contributed to the integrity of the financial information and the role it played in such process.

It immediately informs the Board of Directors of any difficulties encountered."

Activities of the Audit Committee during 2021

The Audit Committee met seven times during 2021, including three joint sessions with the Risk Committee.

Each Committee meeting was systematically preceded by conference calls with the Finance Department and the Risk Department, as well as a conference call with the Statutory Auditors. Certain situations relating to the financial statements or the missions of the Statutory Auditors were able to be clarified during telephone discussions with the Statutory Auditors or the Finance Department.

During these meetings, the Committee examined:

- the quarterly, half-yearly and yearly corporate and consolidated financial statements;
- the work of the Statutory Auditors as well as the missions "outside financial audit" they performed;
- the 2021 and 2022 budgets;
- the information published in the Universal Registration Document;
- the documents and information expected by the Committee in accordance with Article 241 of the Decree of 3 November 2014 on internal control.

The minutes of each of these meetings were submitted to the Board of Directors.

The attendance rate of Audit Committee members was 97.22% in 2021.

Attendance rate of Audit Committee members

	Number of Audit Committee meetings that each member should have attended in 2021	Number of Audit Committee meetings attended by each member in 2021	Attendance rate
Jacques BOYER [2]	3	3	100.00%
Claire DORLAND CLAUZEL	7	6	83.33%
Olivier GAVALDA	7	7	100.00%
Guy GUILAUME [1]	4	4	100.00%
Meritxell MAESTRE CORTADELLA	7	7	100.00%
Anne-Laure NOAT	7	7	100.00%
Catherine POURRE	7	7	100.00%

[1] Guy Guilaumé was appointed a member of the Audit Committee by the Board of Directors on 3 May 2021.
[2] Jacques Boyer was not reappointed as a Director at the Ordinary General Meeting held on 3 May 2021.

RISK COMMITTEE

Composition of the Risk Committee at 31 December 2021

The rules of procedure of the Board of Directors stipulate that the Risk Committee must be composed of at least four Directors.

Short biographies of members of this Committee are available in Section 1.3 "Other information about the corporate officers" of this report.

MEMBERS OF THE RISK COMMITTEE AT 31DECEMBER 2021

Anne-Laure NOAT	Independent Director Chairwoman of the Committee	Appointed a member of the Risk Committee by the Board of Directors on 13 October 2015 Appointed Chairwoman of the Risk Committee by the Board of Directors on 4 May 2020
Paul CARITE	Director	Appointed a member of the Risk Committee by the Board of Directors on 7 May 2019
Françoise GRI	Independent Director	Appointed a member of the Risk Committee by the Board of Directors on 4 May 2017
Meritxell MAESTRE CORTADELLA	Independent Director	Appointed a member of the Risk Committee by the Board of Directors on 4 May 2020
Catherine POURRE	Independent Director	Appointed a member of the Risk Committee by the Board of Directors on 4 May 2017
Odet TRIQUET	Director	Appointed a member of the Risk Committee by the Board of Directors on 3 May 2021

Missions of the Risk Committee

The Risk Committee meets whenever necessary, and at least once a quarter. It is fully informed about Crédit Agricole CIB's risks. If necessary, it may call on the services of the Head of Risk Management or external experts.

EXTRACT FROM THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS, ARTICLE 1.2.2.3

"The main missions of the Risk Committee are the following:

To advise the Board of Directors on the overall strategy of the Bank and on risk appetite and to assist it with the implementation of the strategy by the Executive Managers and the Head of Risk Management:

- to examine and review regularly the strategies and policies governing decision-making, management, monitoring, and reduction of the risks to which the Company is or could be exposed,
- to review the way in which climate and environmental risks are integrated into the overall operational strategy, into risk strategies and policies, into the risk management and monitoring system and into the Company's risk appetite, and to make any recommendations to the Board of Directors,
- to review and monitor the risk management policy, procedures and systems in force within the Bank and its consolidated group,
- to assess the consistency of measurement, monitoring and risk management systems, and propose related actions, as necessary,

- to monitor any incident, whether fraudulent or not, revealed by the internal control procedures, according to the criteria and significance thresholds set by the Board of Directors or which presents a major risk to the Bank's reputation. The Chairman of the Committee must be informed of any incident, whether fraudulent or not, revealed by the internal control procedures, which exceeds an amount set by the Board of Directors or which presents a major risk to the Bank's reputation;

To assist the Board of Directors with the IT strategy and information systems security policy in order to comply with the business strategy, and to ensure that the resources allocated to the management of IT operations, information system security and business continuity are sufficient for the Company to carry out its duties;

To consider whether the prices of the products and services offered to clients are in line with the risk strategy and, if this is not the case, to submit an action plan to the Board of Directors to remedy the situation;

Without prejudice to the responsibilities of the Compensation Committee, to examine whether the incentives offered by the Company's compensation policy and practices are compatible with its situation with regard to the risks it is exposed to, its capital, its liquidity and the probability and timing of the implementation of the benefits expected;

To review the effectiveness of internal control systems, excluding the financial reporting and accounting information process covered by the Audit Committee:

- it examines the internal control system implemented within the Company and its consolidated group;
- it assesses the quality of internal control and proposes, as necessary, complementary actions;
- it monitors the work of the Statutory Auditors on the Company's financial statements and of the internal audit teams.

To examine issues relating to liquidity risk and solvency;

To examine issues relating to disputes and provisions."

◆ Activities of the Risk Committee in 2021

The Risk Committee met seven times during 2021, including three joint sessions with the Audit Committee.

During these meetings, the Committee examined:

- the risk position (quarterly review);
- liquidity (quarterly review);
- the emergency plan and the liquidity monitoring mechanism;
- Crédit Agricole CIB's risk appetite;
- risk strategies (quarterly review);
- compliance reviews, including implementation of the OFAC remediation plan (quarterly review);
- the periodic control missions, including the 2022 audit plan;
- internal control review (half-yearly review);
- a summary of the work on the harmonised ICAAP and ILAAP and related declarations;
- the summary risk appetite statement;
- the declaration on the suitability of the risk management mechanisms implemented.

In the course of preparing the work of the Risk Committees, several meetings were held:

- a preparatory meeting before each Risk Committee meeting with the Head of Risk & Permanent Control and the introduction of a mid-quarter review;
- an ad hoc operational risk meeting with the Head of Risk & Permanent Control and the Head of Operational Risk Management;
- a meeting with the Internal Audit Department on the preparation of the 2022 audit plan;
- a meeting with Crédit Agricole CIB's Executive Management team.

The minutes of each of these meetings were submitted to the Board of Directors.

The attendance rate of the Risk Committee members in 2021 was 95.23%.

◆ Attendance rate of the members comprising the Risk Committee

	Number of Risk Committee meetings that each member should have attended in 2021	Number of Risk Committee meetings attended by each member in 2021	Attendance rate
Paul CARITE	7	7	100.00%
Françoise GRI	7	7	100.00%
Meritxell MAESTRE CORTADELLA	7	7	100.00%
Anne-Laure NOAT	7	7	100.00%
Catherine POURRE	7	7	100.00%
François THIBAULT [2]	3	2	66.66%
Odet TRIQUET [1]	4	4	100.00%

[1] Odet Triquet was appointed a member of the Risk Committee by the Board of Directors on 3 May 2021.
[2] François Thibault was not reappointed as a Director at the Ordinary General Meeting held on 3 May 2021.

During their joint sessions, the Audit Committee and the Risk Committee also examined:

- the 2020 annual report on internal control (RACI) and the 2021 half-year information on internal control (ISCI);
- the 2021 stress-tests programme and the list of major risks;
- the criteria and thresholds applicable to significant incidents;
- the regulatory provisions relative to ILAAP and ICAAP and risk appetite;
- the 2022 budget;
- the risk appetite statement;
- internal control reports (corporate and consolidated) dedicated to the fight against money laundering and the financing of terrorism;
- a Gap Analysis in term of the expectations of the ECB's guide on climate and environmental risks and consecutive measures.

APPOINTMENTS AND GOVERNANCE COMMITTEE

◆ Composition of the Appointments and Governance Committee at 31 December 2021

The Appointments and Governance Committee is composed of at least two Directors.

Short biographies of members of this Committee are available in Section 1.3 "Other information about the corporate officers" of this report.

The Chief Executive Officer is invited to meetings of this Committee.

Several preparatory meetings were held with the Chairwoman of the Committee and the Secretariat of the Board of Directors.

The Appointments and Governance Committee has a majority of Independent Directors in accordance with the provisions of the AFEP-MEDEF Code (§17.1).

MEMBERS OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE AT 31 DECEMBER 2021

Claire DORLAND CLAUZEL	Independent Director Chairwoman of the Committee	Appointed Chairwoman of the Appointments and Governance Committee by the Board of Directors on 9 May 2016 Appointed a member of the Appointments and Governance Committee by the Board of Directors on 4 May 2017
Luc JEANNEAU	Director	Appointed a member of the Appointments and Governance Committee by the Board of Directors on 4 May 2018
Meritxell MAESTRE CORTADELLA	Independent Director	Appointed a member of the Appointments and Governance Committee by the Board of Directors on 4 May 2020

◆ Duties of the Appointments and Governance Committee

EXTRACT FROM THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS, ARTICLE 1.2.2.1

"The main missions of the Appointments Committee are:

- to assist the Board on matters relating to corporate governance in order to maintain a high level of requirements in this area,
- to identify and recommend suitable candidates, as Directors or Advisory members of the board, to the Board of Directors,
- to recommend to the Board of Directors candidates for the position of Chairman of the Board,
- to assess once a year the balance, diversity of knowledge, skills and experiences that the Directors possess individually and collectively and when recommendations are made to the Board for the appointment or reappointment of Directors,
- to define the qualifications needed to serve on the Board and estimate how much time should be set aside for the associated duties,
- to assist the Board with regard the strategies and objectives applicable to Directors,
- to set a diversity target for the Board and develop a diversity policy. This objective, the policy and the means implemented are made public,
- to evaluate the structure, size, composition and effectiveness of the Board of Directors at least once a year,
- to review periodically and make recommendations regarding the policies of the Board of Directors for selection and appointment of Executive Directors of the Company and other members of the Executive Management, as well as the Head of the Risk Management function,
- to ensure that the Board of Directors is not dominated by one person or by a small group of people in conditions that could be detrimental to the Bank's interests,
- to first review the proposed appointment made by General Executive, the Head of Compliance, the Head of the Risk Management function and the Head of the Internal Audit function, which is then forwarded to the Board of Directors for its opinion,
- to be notified in advance, together with the Board of Directors, when the Head of the Compliance Function, the Head of the Risk Management Function or the Head of the Internal Audit function is removed from office, it being specified that the Head of the Risk Management Function may not be removed from office without the prior consent of the Board."

◆ Actions of the Appointments and Governance Committee during 2021

The Appointments and Governance Committee met six times during 2021.

At its meetings, the Committee:

- reviewed applications and reappointments of directors in anticipation of the General Meeting being called;
- determined the objective and policy in terms of balanced representation of men and women on the Board of Directors as well as diversity;
- reviewed the qualifications of Independent Directors and changes in the composition of the Board of Directors and its Committees;
- examined the updates to the Articles of Association and to the rules of procedure of the Board of Directors;
- examined the Directors' training programme for 2021, the proposed training courses for employed Directors and the annual seminar programme;
- organised the self-assessment of the functioning of the Board of Directors for 2021, and the self-assessment of the individual and collective expertise of Directors, conflicts of interest and reputation. It analysed and summarised the results of the self-assessments in order to determine the actions to be taken;
- conducted an annual assessment of the time spent by each Director on the performance of their duties;
- checked, in accordance with Article L. 511-101 of the French Monetary and Financial Code, that the Board of Directors was not dominated by one person or by a group of people in conditions that could be detrimental to Crédit Agricole CIB's interests.

The minutes of each of these meetings were submitted to the Board of Directors.

The attendance rate of the members of the Appointments and Governance Committee in 2021 was 83.33%.

Attendance rate of the members of the Appointments and Governance Committee

	Number of meetings of the Appointments and Governance Committee that each member should have attended in 2021	Number of Appointments and Governance Committee meetings attended by each member in 2021	Attendance rate
Claire DORLAND CLAUZEL	6	5	83.33%
Luc JEANNEAU	6	4	66.66%
Meritxell MAESTRE CORTADELLA	6	6	100.00%

COMPENSATION COMMITTEE

Composition of the Compensation Committee at 31 December 2021

The rules of procedure of the Board of Directors stipulate that the Compensation Committee is composed of at least four Directors and includes a Director representing the employees, and one Director in common with the Risk Committee.

Short biographies of members of this Committee are available in Section 1.3 "Other information about the corporate officers" of this report.

The Compensation Committee, chaired by an Independent Director, has a total of four Directors, including two Independent Directors, a Director representing employees and a Director of the Crédit Agricole Group. The Committee has a majority of Independent Directors in accordance with the provisions of the AFEP-MEDEF Code (§15.1 and 18.1).

The Compensation Committee's duties fall within the framework of the Group's compensation policy. With a view to harmonising Crédit Agricole S.A. Group's compensation policies, the Group Human Resources Director [(1)] or his or her representative, as well as the Chairman of the Board of Directors of Crédit Agricole CIB and the Chief Executive Officer of Crédit Agricole S.A., are invited to the meetings of the Compensation Committee.

MEMBERS OF THE COMPENSATION COMMITTEE AT 31 DECEMBER 2021

Anne-Laure NOAT	Independent Director Chairwoman of the Committee	Appointed a member of the Compensation Committee by the Board of Directors on 11 December 2015 Appointed Chairwoman of the Compensation Committee by the Board of Directors on 11 December 2015
Claire DORLAND CLAUZEL	Independent Director	Appointed a member of the Compensation Committee by the Board of Directors on 4 May 2017
Luc JEANNEAU	Director	Appointed a member of the Compensation Committee by the Board of Directors on 4 May 2018
Jean-Guy LARRIVIÈRE	Director elected by employees.	Appointed a member of the Compensation Committee by the Board of Directors on 10 December 2020

Missions of the Compensation Committee

EXTRACT FROM THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS, ARTICLE 1.2.2.2

"The Compensation Committee prepares the decisions of the Board of Directors regarding compensation, in particular those having an impact on risk and risk management in the Company. It assists with the development of compensation policies and the supervision of their implementation.

It makes recommendations to the Board including:

- the total amount of compensation allocated to the members of the Board of Directors, to be submitted to the General Meeting of Shareholders for approval,
- the distribution of such compensation among the members of the Board of Directors,
- ordinary and exceptional compensation, defined in Article 14 of the Articles of Association as "Directors' Compensation" paid to the members of the Board of Directors, its Chairman and its Vice-Chairmen.

At least annually, it reviews:

- the principles of the Company's compensation policy,
- the compensation, allowances, benefits in kind, pension commitments and financial entitlements granted to the Chief Executive Officer, and to the Deputy General Managers on the proposal of the CEO,
- the principles of variable compensation of all employees of the Company including those identified personnel defined in compliance with European regulations, as well as the members of Executive Management (composition, base, ceiling, conditions, form and payment date) and the total amount allocated as part of this compensation. The Compensation Committee is informed of the breakdown of this total at individual level, beyond a threshold proposed by Executive Management and subject to approval by the Board of Directors.

It also carries out the following:

- it ensures that the compensation system takes account of all types of risks and that the levels of liquidity and equity and the overall compensation policy is consistent, that it promotes healthy and effective risk management and that it conforms to the financial strategy, to the goals, to Company values and to the long-term interests of the Company,
- it prepares the work and decisions of the Board of Directors to identify staff defined in compliance with the European identification rules,

(1) An overall monitoring of the compensation policy applicable across all Crédit Agricole S.A. Group entities is carried out within Crédit Agricole S.A.. This monitoring is presented to the Board of Directors of Crédit Agricole S.A. and includes proposals for the principles used to determine the amounts of variable compensation, the examination of the impact of the risks and the capital requirements inherent to the activities concerned, as well as an annual review, by the Compensation Committee of the Crédit Agricole S.A. Board of Directors, of compliance with regulatory provisions and professional standards on compensation.

- it reports to the Board of Directors on its annual review of the compensation policy and principles, as well as the verification of their compliance with applicable regulations and proposes changes as necessary,
- it monitors the compensation of the Head of Risk Management, the Chief Compliance Officer and the Head of Periodic Control,
- regarding deferred variable compensation, it evaluates the achievement of performance targets and the need for an adjustment to the ex-post risk, including the application of penalties and recovery plans, in compliance with the regulations in force,
- it ensures that the Company's policy and compensation practices are subject to an assessment by periodic control at least once per year, it reviews the results of this evaluation and the corrective measures implemented and it makes any recommendation,
- it examines draft reports on compensation including the compensation of Corporate Officers and Executive Corporate Officers, prior to their approval by the Board of Directors."

Activities of the Compensation Committee during 2021

The Compensation Committee met three times during 2021.

These meetings focused primarily on the following matters:

- review of the methodology for determining identified staff;
- determination of the overall variable compensation budget;
- examination of the compensation of managers of Executive Corporate Officers;
- examination of the compensation of managers of control functions;
- review of the reports required by law presenting the information on the compensation policy and practices at Crédit Agricole CIB;
- review of the part of the management report and draft resolutions concerning compensation to be presented to the General Meeting of Shareholders;

The minutes of each of these meetings were submitted to the Board of Directors.

The attendance rate of the Compensation Committee members was 100% in 2021.

Attendance rate of members of the Compensation Committee

	Number of meetings of the Compensation Committee that each member should have attended in 2021	Number of Compensation Committee meetings attended by each member in 2021	Attendance rate
Claire DORLAND CLAUZEL	3	3	100.00%
Luc JEANNEAU	3	3	100.00%
Jean-Guy LARRIVIÈRE	3	3	100.00%
Anne-Laure NOAT	3	3	100.00%

1.3. OTHER INFORMATION ABOUT THE CORPORATE OFFICERS

1.3.1. List of the functions and mandates held by the Executive Corporate Officers at 31 December 2021

MEMBERS OF THE EXECUTIVE MANAGEMENT

Jacques RIPOLL

Office held at Crédit Agricole CIB : **Chief Executive Officer**

Business adress : 12, place des États-Unis – CS 70052 - 92547 Montrouge Cedex - France

› **BORN IN 1966**

NATIONALITY

French

› **BRIEF BIOGRAPHY**

A graduate of Ecole Polytechnique, Jacques Ripoll joined Société Générale in 1991 in the General Inspectorate, and moved to the Equity Derivatives department in 1998. He became Head of sales and Trading for European equities in 2003, and Director of Strategy for the bank between 2006 and 2009. He then joined the Executive Committee of Société Générale in charge of four business lines: Asset Management, Private Banking, Investor Services and Newedge.

In 2013, Jacques Ripoll moved to Banco Santander as Head of Investment Banking for the United Kingdom. In 2015, he was appointed as Senior Executive Vice President of the Santander Group in charge of investment banking worldwide.

On 1 November 2018 he was appointed as Chief Executive Officer of Crédit Agricole CIB, and also became Deputy General Manager of Crédit Agricole S.A. responsible for the Large Clients division, for Corporate and Investment banking (CACIB), Wealth Management (CA Indosuez) and services for institutional investors and businesses (CACEIS).

DATE OF FIRST APPOINTMENT

2018

END OF TERM OF OFFICE

Indefinite term of office

Does not own any shares in Crédit Agricole CIB

› **OFFICES HELD AT 31 DECEMBER 2021**

In Crédit Agricole Group companies

- Deputy Chief Executive Officer responsible for the Large Clients division: Crédit Agricole S.A. – Member of the Executive Committee and the Management Committee
- Chairman: CACEIS (Chairman of the Appointments Committee); CACEIS Bank (Chairman of the Appointments Committee)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Director: AROP; ASPEN Institute Italia

› **POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)**

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

- Santander Group: Senior Executive Vice President in charge of Global Investment Banking (2017)
- Director: Beyond Ratings (2019)

Jean-François BALAŸ

Office held at Crédit Agricole CIB: **Deputy Chief Executive Officer**

Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› **BORN IN 1965**

NATIONALITY

French

› BRIEF BIOGRAPHY

Jean-François Balaÿ began his career at Crédit Lyonnais (now LCL) in 1989, where he held various managerial positions in the Corporate market in London, Paris and Asia. From 2001 to 2006, he was Head of Origination and Structuring for Europe at Credit Syndication at LCL, then at Calyon (now Crédit Agricole CIB). In 2006, he became Deputy Head of the EMEA team before taking over responsibility in 2009 of Global Loan Syndication Group. In 2012, he was appointed Head of Debt Optimisation & Distribution. In 2016, Jean-François Balaÿ was appointed Head of Risk and Permanent Control. He was appointed Deputy Chief Executive Officer in July 2018, overseeing structured finance, the distribution and debt optimisation division, the impaired assets division and international trade and commercial banking. Jean-François Balaÿ was appointed Deputy Chief Executive Officer on 1 January 2021.

Jean-François Balaÿ holds a postgraduate degree in Banking and Finance from Université Lumière Lyon II and a Master's degree in Economic Sciences from Université Lumière Lyon II.

DATE OF FIRST APPOINTMENT

2021

END OF TERM OF OFFICE

Indefinite term of office

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Director: Crédit Agricole CIB China; CAPS
- Member of the Management Committee: Crédit Agricole S.A.

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Director: UBAF (2020)

In structures outside the Crédit Agricole Group

—

Olivier BÉLORGEY

Office held at Crédit Agricole CIB: **Deputy Chief Executive Officer and Chief Financial Officer**
Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› **BORN IN 1964**

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2021

END OF TERM OF OFFICE

Indefinite term of office

Does not own any shares in Crédit Agricole CIB

› BRIEF BIOGRAPHY

Olivier Bélorgey began his career at Crédit Lyonnais in 1991 in the Capital Markets Department. In 1995, he joined the Asset/Liability Management unit of the Finance Department as Head of Interest Rate Risk. In 1999, he joined the retail banking network as Head of Individual and Professional Customers before joining the Human Resources Department as Head of HR Policies in 2001. He became Head of Management Control at Crédit Agricole CIB (formerly Calyon) in 2004 and in 2007 became Head of Asset/Liability Management at Crédit Agricole CIB, which was extended to Credit Portfolio Management in 2009. In 2011, Olivier Bélorgey took over responsibility of the Financial Management Department of Crédit Agricole S.A., before becoming Chief Financial Officer of Crédit Agricole CIB in 2017. He also became responsible for purchasing in September 2020. Olivier Bélorgey was appointed Deputy Chief Executive Officer on 1 January 2021.

Olivier Bélorgey graduated from Ecole Polytechnique and holds a Master's degree in Condensed Material Physics and a doctorate in Science.

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Head of Crédit Agricole Group Finance and Treasury
- Member of the Management Committee: Crédit Agricole S.A.
- Supervisor: Crédit Agricole CIB China;

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Chairman: *Crédit logement*

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

—

Pierre GAY

Office held at Crédit Agricole CIB: **Deputy Chief Executive Officer and Global Head of Capital Markets**
Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› BORN IN 1963

NATIONALITY

French

› BRIEF BIOGRAPHY

Pierre Gay joined the Group in 1990, where he held various positions at Crédit Lyonnais, Calyon and Crédit Agricole Indosuez. He became Chief Executive Officer Asia for Calyon Financial Hong Kong in August 2005. In 2008, he became Chief Executive Officer Asia Pacific based in Hong Kong at Newedge. In 2011, he was named as Treasurer of the Newedge Group before becoming Treasurer of Crédit Agricole CIB in 2014. In 2016, he was appointed Head of Global Markets France and became Head of Global Markets Europe excluding UK in the same year. He became Global Head of Capital Markets in February 2019. Pierre Gay was appointed Deputy Chief Executive Officer on 1 January 2021.

Pierre Gay holds a Master's degree in Applied Mathematics from Université Lyon I and an ESC LYON DEA from Université de Lyon III.

DATE OF FIRST APPOINTMENT

2021

END OF TERM OF OFFICE

Indefinite term of office

Does not own any sares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Member of the Management Committee: Crédit Agricole S.A.

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

—

BOARD OF DIRECTORS

Philippe BRASSAC

Office held at Crédit Agricole CIB: **Chairman of the Board of Directors**

Business address: 12, place des États-Unis - 92127 Montrouge Cedex - France

› BORN IN 1959

NATIONALITY

French

› BRIEF BIOGRAPHY

A graduate of the Paris Graduate School of Economics, Statistics and Finance (ENSAE), Philippe Brassac joined Crédit Agricole du Gard in 1982. He held several executive offices there before being appointed, in 1994, as Deputy General Manager of Crédit Agricole des Alpes-Maritimes, now Crédit Agricole Provence Côte d'Azur. In 1999, he joined Caisse Nationale de Crédit Agricole as Director of relations with Regional Banks. In 2001, he was appointed as Chief Executive Officer of Crédit Agricole Provence Côte d'Azur. In 2010, he also became Secretary General of the Fédération Nationale du Crédit Agricole (FNCA) and Vice-Chairman of the Board of Directors of Crédit Agricole S.A. In May 2015, he was appointed as Chief Executive Officer of Crédit Agricole S.A.

› MAIN AREAS OF EXPERTISE

Banking regulation

Strategic planning

Corporate Management

DATE OF FIRST APPOINTMENT

2010

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 11 years

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chief Executive Officer of Crédit Agricole S.A.
- Chairman: LCL

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Member of the Executive Committee of the *Fédération bancaire française*

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Director: *Fondation du Crédit Agricole Pays de France* (2021)

In structures outside the Crédit Agricole Group

—

Laure BELLUZZO

Office held at Crédit Agricole CIB: **Director**

Business address: 12 Rue Villiot, 75012 Paris – France

› BORN IN 1973

NATIONALITY

French

› BRIEF BIOGRAPHY

Laure Belluzzo began her career in 1996 in the Internal Audit Department of the Banque Populaire Group, as an internal auditor. In 2000, she joined Banque CPR as lead auditor. In 2001, she was appointed supervisor in the Internal Audit department of Crédit Agricole Indosuez (which became Calyon and then Crédit Agricole CIB). In 2006, Laure Belluzzo was appointed Head of Audit France and Eastern Europe. In 2008, she became responsible for budget monitoring, communication and management of cross-functional projects of the Capital Market Operations Department of Crédit Agricole CIB. In 2009, she became Head of Fixed Income Middle and Back Offices. In 2010, she was appointed Global Head of Capital Markets Middle and Back Offices at Crédit Agricole CIB.

In 2013, she joined Crédit Agricole S.A. as Head of Strategy and Development. In 2016, she became a member of LCL's Executive Committee with responsibility for IT, back offices, the branch renovation programme, real estate, artificial intelligence and Payments. Since May 2020, she has been Chief Executive Officer of Crédit Agricole Technologies et Services.

Laure Belluzzo is a graduate of EDHEC (1996), Grande Ecole programme.

› MAIN AREAS OF EXPERTISE

- Corporate Management
- Strategic planning
- Banking regulation

DATE OF FIRST APPOINTMENT

2021

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

< 1 year

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chief Executive Officer: Crédit Agricole Technologies et Services
- Chairwoman: PROGICA
- Director: CA Consumer Finance; CA Payment Service; Crédit Agricole Groupe Infrastructure Platform (member of the Audit Committee); FIRECA
- Member of the Crédit Agricole Group IT Executive Committee

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Director: AVEM (2020); CA Chèques (2020), Association Visa France (2020) CA Titres (2020)

In structures outside the Crédit Agricole Group

—

Paul CARITE

Office held at Crédit Agricole CIB: **Director**

Member of the Risk Committee

Business address: CRCAM Pyrénées Gascogne - 121 chemin de Devèzes – 64121 SERRES CASTET - France

› BORN IN 1961

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2019

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 2 years

Does not own any shares in Crédit Agricole CIB

› BRIEF BIOGRAPHY

Paul Carite graduated from Toulouse Business School and began his career in 1986 at Société Générale. He joined the Crédit Agricole du Lot et Garonne in 1991 where he was appointed as Head of Corporate Market Services, IAA and Public Corporations. He then moved to the Caisse Régionale de Crédit Agricole de Gironde as Director of the Business, Public Authorities, Agriculture and Professionals Market. Between 2001 and 2005, Paul Carite was Director of Business and Private Management and then Director of Distribution for the Caisse Régionale de Crédit Agricole d'Aquitaine. In 2006, he became Director of the Corporate Bank for LCL, then became a member of the Executive Committee responsible for the Corporate Bank and its cash management businesses. In 2011, he was appointed as Chief Executive Officer of the Caisse Régionale de Guadeloupe. In 2016, he became Chief Executive Officer of the Caisse Régionale de Crédit Agricole Mutuel Sud Méditerranée and has been Chief Executive Officer of the Caisse Régionale de Crédit Agricole Mutuel Pyrénées Gascogne since December 2020.

› MAIN AREAS OF EXPERTISE

Strategic planning

Governance

Banking regulation

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chief Executive Officer: CRCAM Pyrénées Gascogne
- Director: FONCARIS (Member of the Commitments Committee), Crédit Agricole Égypte (Member of the Audit Committee and Chairman of the Risk Committee), NEXECUR SAS, CACIF, GSO
- Member: federal bureau (FNCA)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Director: INDARRA Fund

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Director: CAAGIS (Chairman of the Audit Committee) (2017), IFCAM (2019))
- Chief Executive Officer: CRCAM Sud Méditerranée (2020)
- Member of the Supervisory Committee: SOFILARO (2020)

In structures outside the Crédit Agricole Group

- Director: S.A. Independent du Midi (2020)

Claire DORLAND CLAUZEL

Office held at Crédit Agricole CIB: **Director**

Chairwoman of the Appointments and Governance Committee – Member of the Audit Committee – Member of the Compensation Committee

Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› **BORN IN 1954**

NATIONALITY

French

› BRIEF BIOGRAPHY

A holder of a Master's degree in history from Université Paris Sorbonne and a Doctorate from the Institut de Géographie, and a graduate of the École Nationale d'Administration (1988 "Montaigne" cohort), Claire Dorland Clauzel joined the Ministry of Economy and Finance, Treasury Department, in 1988. She was appointed as Deputy Head of Finance for the Usinor Group from 1993 to 1995 and became Cabinet Director of the Director of the Treasury in 1995. In 1998, she joined AXA as Head of Audit and Control of AXA France, where she was also a member of the Executive Committee. She was appointed as Chief Executive Officer of AXA France support in 2000 before becoming Head of Communication, Branding and Sustainability of the AXA Group and a member of the Executive Committee in 2003. In 2008, she joined the Michelin Group as Head of Brand Communications and Public Affairs and a member of the Executive Committee. In 2010, she also took on responsibility for sustainable development and the Michelin Group's maps and guides business unit. Since 2018, she has been a company director and has jointly run her own vineyard.

› MAIN AREAS OF EXPERTISE

Social and environmental responsibility

International

Corporate Management

DATE OF FIRST APPOINTMENT

2016

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 5 years

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

—

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Manager: SCI La Tuilière
- Chairwoman: CEI (Centre Echanges Internationaux)

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In other structures outside the Crédit Agricole Group

- Member of the Executive Committee: (Director of Branding and External Relations): Michelin group (2018)
- Director: Union des annonceurs
- Union des fabricants (2018)

Michel GANZIN

Office held at Crédit Agricole CIB: **Director**
Business address: Crédit Agricole S.A. - 12, place des États-Unis - 92120 Montrouge - France

› BORN IN 1967

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2021

END OF TERM OF OFFICE

2024

SENIORITY ON THE BOARD OF DIRECTORS

1 year

Does not own any shares in Crédit Agricole CIB

› BRIEF BIOGRAPHY

Michel Ganzin is Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of the Group Project division. He is a member of the Executive Committee of Crédit Agricole S.A.

After joining Crédit Lyonnais in 1989, Michel Ganzin became Branch Manager in 1997 and then Director of Individual and Professional Customers of the Hérault branch network in 2001. From 2004 to 2008, he held positions as Head of Markets and Sales Coordinator at LCL's head office. In 2008, he became Director of Networks outside LCL's branches. In 2010, Michel Ganzin was appointed sole Deputy Chief Executive Officer of Crédit Agricole de Val de France, before becoming Chief Executive Officer of the Regional Bank of Centre Ouest in 2015. In 2018, he was appointed Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Operations and Transformation, then the Client and Human Development division in December 2020 before taking over the Group Project division in July 2021.

Michel Ganzin holds a Bachelor's degree in Economics, a graduate degree in Banking (DES) and a CESA Management HEC. He is also a graduate of the Centre d'études supérieure de banque (CESB).

› MAIN AREAS OF EXPERTISE

Strategic planning

Social and environmental responsibility

Corporate Management

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies:

- Deputy General Manager (in charge of the Group Project division) at Crédit Agricole S.A.
- Chairman: Interim management commission of the Corsica Regional Bank
- Director: IFCAM; Predica; BforBank
- Advisory member of the board: Pacifica
- Standing invitee of the Supervisory Board: Crédit Agricole Technologies Services
- Chairman and Member of the Management Board of Uni-Medias

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market:

—

In other structures outside the Crédit Agricole Group:

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies:

- Chief Executive Officer: Crédit Agricole Centre Ouest (2018)
- Chairman: LESICA (2020); CALXIT (2020); Grouping (GIE) *Cartes bancaires* (2021)
- Director: CAGIP (2020); FIRECA Portage & Participation (2021); FIRECA *Expérimentations* (2021), Crédit Agricole Payment Services (2021); Euopean Payments Initiative (2021)
- Permanent representative of Crédit Agricole S.A.: SCI Quentyvel; SAS Evergreen Montrouge (2021)

In structures outside the Crédit Agricole Group:

—

Olivier GAVALDA

Office held at Crédit Agricole CIB: **Director**
Member of the Audit Committee
Business adress: CRCAM Paris Ile de France - 26, quai de la Rapée – 75596 Paris Cedex – France

› **BORN IN 1963**

NATIONALITY

French

› BRIEF BIOGRAPHY

Olivier Gavalda holds a Master's degree in Econometrics and a DESS Arts and Métiers in organisation/computer science. He has spent his entire career at Crédit Agricole. In 1988 he joined Crédit Agricole du Midi where he was Organisation Project Manager, then Branch Manager, then Training Manager and finally Head of Marketing. In 1998, he joined Crédit Agricole d'Ile-de-France as Regional Director. In 2002, he was appointed as Deputy General Manager of Crédit Agricole Sud Rhône-Alpes responsible for Development and Human Resources. On 1 January 2007, he was appointed as Chief Executive Officer of Crédit Agricole de Champagne Bourgogne. In March 2010, Olivier Gavalda became Director of the Regional Banks Division at Crédit Agricole S.A. In 2015, he was appointed as Deputy General Manager of Crédit Agricole S.A. responsible for the Development, Client and Innovation Division. Since 4 April 2016, he has been Chief Executive Officer of the Caisse Régionale de Crédit Agricole de Paris et d'Ile-de-France.

› MAIN AREAS OF EXPERTISE

Strategic planning

Banking regulation

Corporate Management

DATE OF FIRST APPOINTMENT

2018

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 3 years

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chief Executive Officer: CRCAM Paris Ile-de-France.
- Chairman: Crédit Agricole SRBIJA, CAGIP
- Manager of the SNC Crédit Agricole Technologies et Service (Chairman)
- Member: federal bureau (FNCA)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Director: GIE Coopernic, CAMCA (2020), Crédit Agricole Capital Investissement et Finances (2020), Crédit Agricole Technologies et Services (GIE) (2020), CA Payment Services (2021);

In other structures outside the Crédit Agricole Group

—

Françoise GRI

Office held at Crédit Agricole CIB: **Director**
Member of the Risk Committee
Business address: 12, place des États-Unis - 92127 Montrouge Cedex - France

› **BORN IN 1957**

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2017

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 4 years

Does not own any shares in Crédit Agricole CIB

› BRIEF BIOGRAPHY

A graduate of the National School of Computer Science and Applied Mathematics of Grenoble, Françoise Gri began her career with the IBM Group in 1981 and became Chair and Chief Executive Officer of IBM France in 2001. In 2007, she joined Manpower and held the position of Chairwoman and Chief Executive Officer of the French subsidiary, before becoming Executive Vice President of the Southern Europe area of ManpowerGroup (2011). An accomplished leader with extensive international experience, she then joined the Pierre & Vacances-Center Parcs Group as Chief Executive Officer (2012-2014). She is an Independent Director with expertise in the fields of IT and corporate social responsibility. Françoise Gri has published 2 books: “Women Power: Femme et patron” (2012) and “Plaidoyer pour un emploi responsable” (2010).

› MAIN AREAS OF EXPERTISE

- Strategic planning
- Governance
- Corporate Management

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Independent Director: Crédit Agricole S.A. (Chairwoman: Risk Committee, Risk Committee in the United States; Member: Audit Committee, Strategic and CSR Committee, Compensation Committee)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

- Independent Director: Edenred S.A. (Chairwoman: Compensation Committee, Appointments Committee),
- Director: WNS Services (Chairwoman: Governance and Appointments Committee), Française des Jeux

In other structures outside the Crédit Agricole Group

- Manager: F. Gri Conseil
- Director: OMNES Education (formerly: INSEEC U)

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

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In structures outside the Crédit Agricole Group

- Independent Director: 21 Centrale Partners (2019)
- Director: Audencia Business School (2019)

Guy GUILAUMÉ

Office held at Crédit Agricole CIB: **Director**
Member of the Audit Committee
Business address: CRCAM Anjou Maine - 77 avenue Olivier Messiaen - 72083 LE MANS - France

› BORN IN 1958

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2021

END OF TERM OF OFFICE

2024

SENIORITY ON THE BOARD OF DIRECTORS

< 1 year

Does not own any shares in Crédit Agricole CIB

› BRIEF BIOGRAPHY

After studying Economics and Management at the Ecole Supérieure de Formation Agricole d'Angers, Guy Guilaumé established himself in 1981 as a farmer operating in dairy and pig production until September 2020.

At the same time, he invested heavily in the development and influence of Crédit Agricole.

In 1988, he became a Director of the Crédit Agricole Pays de Château-Gontier local bank (new name in 2014), then Chairman of this local bank from 1995 to 2020.

He was Chairman of the Crédit Agricole Regional Bank of Anjou Maine since March 2017 (Vice-Chairman from 1997 to 2017).

In addition, he held various positions within the Fédération Nationale de Crédit Agricole (FNCA), Crédit Agricole S.A. and other Crédit Agricole Group subsidiaries.

Until 2020, he held several mandates at the local and regional levels, including the Regional Chamber of Agriculture, the Mayenne Expansion Departmental Economic Development Agency and various agricultural organisations.

› MAIN AREAS OF EXPERTISE

- Social and environmental responsibility
- Governance
- Corporate Managements

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Vice-Chairman: Federal bureau (FNCA)
- Chairman: CRCAM Anjou Maine, Human Project Group Committee (Crédit Agricole S.A.)
- Member: European Works Council (Crédit Agricole S.A.)
- Director: CA Consumer Finance; SAS Rue la Boétie; Pays de Château-Gontier local bank

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Chairman: HECA Association; Solidarity Development Association
- Member: SOLAAL Association (representative member of CRCAM Anjou Maine)
- Co-manager: SCI du Guesclin

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Chairman: Crédit Agricole Mutual Equities Endowment Fund (2017), (representing the Regional Bank)
- Member: Appointments Committee of CRCAM Anjou Maine (2017); Management Board of SAS Uni-Invest Anjou Maine (representing CRCAM) (2017); Committee on Transformation and Performance (FNCA) (2018)

In structures outside the Crédit Agricole Group

- Co-manager of GAEC de la Morandière (2020).
- Chairman: AGECIF CAMA (2019); Pays de La Loire "Food-Loire" Promotion Department (2018)
- Vice-Chairman: AGECIF CAMA (2021) (Representative of Crédit Agricole Group)
- Member of the Bureau of the Regional Chamber of Agriculture of the Pays de La Loire (2018) (representing CRCAM)

Luc JEANNEAU

Office held at Crédit Agricole CIB: **Director**
Member of the Compensation Committee - Member of the Appointments and Governance Committee
Business address: CRCAM Atlantique Vendée - Route de Paris la Garde - 44949 Nantes Cedex 9 - France

› BORN IN 1961

NATIONALITY

French

› BRIEF BIOGRAPHY

Luc Jeanneau has been at the head of a farming business on the island of Noirmoutier since 1985. In 1990, he became Director of the Caisse Locale du Crédit Agricole de Noirmoutier, then Director of the Caisse Régionale de la Vendée in 1993, and Director of the Caisse Régionale Atlantique Vendée in 2002, where he was Vice-Chairman in 2010. He has been its Chairman since 1 April 2011. At the same time he holds various positions and responsibilities within the Crédit Agricole Group, in particular as a member of the Group's Commissions or Committees, and holds several offices within the Group's subsidiaries.

› MAIN AREAS OF EXPERTISE

- Social and environmental responsibility
- Governance

DATE OF FIRST APPOINTMENT

2017

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 4 years

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chairman of CRCAM Atlantique-Vendée; CAMCA Mutuelle; CAMCA Assurance Réassurance;
- Chairman of the Supervisory Committee: CAMCA Courtage
- Director: Caisse locale de Noirmoutier; SAS Rue la Boétie; SACAM Participations; ADICAM, SCI CAM
- Member of the Executive Committee: GIE GECAM
- Member of the Management Board: SACAM Mutualisation
- Member: federal bureau (FNCA)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Manager: EARL Les Lions
- Director: Coopérative des producteurs de Noirmoutier; Comité interprofessionnel de la pomme de terre; Felcoop Coopérative
- Chairman: Association des Saveurs de l'Ile de Noirmoutier

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Director: SACAM Assurances Caution

In structures outside the Crédit Agricole Group

—

Jean-Guy LARRIVIÈRE

Office held at Crédit Agricole CIB: **Director (elected by employees)**
Member of the Compensation Committee
Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› BORN IN 1975

NATIONALITY

French

› BRIEF BIOGRAPHY

Jean-Guy Larrivière is a graduate of the Institut d'Administration d'Entreprises. He started working for Crédit Lyonnais in 2001 after gaining his first experience in banking at Rabobank, Canada. He worked in the Large Corporates Department before moving to Crédit Agricole CIB's International Department in 2005 and then covering the Africa region as of 2009. In 2016, he joined Crédit du Maroc, a Crédit Agricole S.A. subsidiary, to develop business with multinationals. In 2019, he returned to Crédit Agricole CIB, working within the International Support Division, and became a Director elected by employees on 25 November 2020.

› MAIN AREAS OF EXPERTISE

- Financial markets
- Banking regulation
- International

DATE OF FIRST APPOINTMENT

2020

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 1 year

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Director: CA Sports (association)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

—

Abdel-Liacem LOUAHCHI

Office held at Crédit Agricole CIB: **Director (elected by employees)**
Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› BORN IN 1975

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2020

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 1 year

Does not own any shares in Crédit Agricole CIB

› BRIEF BIOGRAPHY

Abdel-Liacem Louahchi began working within the Crédit Agricole Group nineteen years ago, more specifically at Crédit Agricole Indosuez, which became Calyon, and is now Crédit Agricole Corporate & Investment Bank.

He began his career as a banking business line technician in the General Resources Department and currently holds the position of back office manager in the OPC/FTO Process and Change Management, Documentary and Guarantee Operations Department. He became a Director elected by employees on 25 November 2020.

› MAIN AREAS OF EXPERTISE

- **Financial markets**
- **Banking regulation**
- **Accounting and financial information**

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

—

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

—

Meritxell MAESTRE CORTADELLA

Office held at Crédit Agricole CIB: **Director**

Member of the Risk Committee - Member of the Audit Committee - Member of the Appointments and Governance Committee

Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› **BORN IN 1971**

NATIONALITY

Andorran

› BRIEF BIOGRAPHY

Meritxell Maestre graduated in mathematical engineering from the Institut National des Sciences Appliquées in Rouen (1994) and has a Master of Business Administration from the ESADE in Barcelona and the University of Chicago (1996). She began her career as an investment banking analyst at Bank of America Merrill Lynch in London where she advised clients in the European financial services sector on their M&A and fund-raising operations. In 1998, she joined the Paris team of Bank of America Merrill Lynch. In 2009, she was promoted to Managing Director and became Head of Financial Institutions for France, Spain, Belgium and Portugal until November 2015.

She is currently Chairwoman of Enclar Conseil and a Senior Advisor to the investment fund CVC Capital Partners.

› MAIN AREAS OF EXPERTISE

- Financial markets
- Banking regulation
- International

DATE OF FIRST APPOINTMENT

2020

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 1 year

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

–

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

–

In other structures outside the Crédit Agricole Group

- Chairwoman: Enclar Conseil; 2MJF
- Director: April Group, Andromeda Holdings

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

–

In structures outside the Crédit Agricole Group

–

Anne-Laure NOAT

Office held at Crédit Agricole CIB: **Director**

Chairwoman of the Risk Committee, Chairwoman of the Compensation Committee and member of the Audit Committee

Business address: 12, place des États-Unis - CS 70052 - 92547 Montrouge Cedex - France

› BORN IN 1964

NATIONALITY

French

› BRIEF BIOGRAPHY

An agronomic engineer and graduate of the Institut National Agronomique Paris Grignon (1983) and the ESSEC business school (1988), Anne-Laure Noat began her career at Crédit Lyonnais in Japan in 1988. She joined Eurogroup Consulting in 1990 where she has been a partner since 2000, Head of Development of the Transportation Sector since 2007 and associate HRD since September 2012. She develops Eurogroup Consulting's business in the transport and logistics sectors, notably as regards industry policy, strategic projects and industrial and managerial performance. She also specialises in corporate governance consulting (corporate-function performance (legal, communication, HR), business strategy, change management and corporate project deployment) and is a member of the Transitions practice. She has been on the Executive Committee since July 2021 and is responsible for the firm's ESG activities.

› MAIN AREAS OF EXPERTISE

- Social and environmental responsibility
- Governance
- Corporate Management

DATE OF FIRST APPOINTMENT

2014

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 7 years

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

—

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Partner and member of EXCOM: Eurogroup Consulting France
- Chairwoman: NEW DDS SAS (Eurogroup Consulting subsidiary)

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

- Chairwoman: DDS SAS (Eurogroup Consulting subsidiary) (2019); Chairwoman of the HR and Business Committee of Union Internationale des Transports Publics and a member of the Policy Board (2021)
- Director: La Maison des ingénieurs agronomes (2018)

Catherine POURRE

Office held at Crédit Agricole CIB: **Director**
Chairwoman of the Audit Committee and Member of the Risk Committee
Business address: 12, place des États-Unis - 92127 Montrouge Cedex - France

› BORN IN 1957

NATIONALITY

French

› BRIEF BIOGRAPHY

A graduate of the ESSEC business school and a Certified Accountant, with a degree in business law from the Catholic University of Paris, Catherine Pourre has extensive experience in audit and organisation consulting, particularly as a partner at PricewaterhouseCoopers (1989-1999), then at Cap Gemini Ernst & Young France, where she became Executive Director in 2000. She joined Unibail-Rodamco from 2002 as Deputy General Manager. She carried out various executive management functions as member of the Executive Committee then member of the Management Board. Since June 2013, she has been Chief Executive Officer and a Director of CPO Services (Luxembourg). Catherine Pourre is also an experienced navigator. She is a Chevalier de la Légion d'Honneur and Chevalier de l'Ordre National du Mérite.

› MAIN AREAS OF EXPERTISE

- Accounting and financial information
- Governance
- Corporate Management

DATE OF FIRST APPOINTMENT

2017

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 4 years

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Director: Crédit Agricole S.A. (Chairwoman of the Audit Committee; Member of the Risk Committee, Member of the Strategic and CSR Committee)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

- Director: Permanent representative of Fonds Stratégique de Participation: SEB (Chairwoman of the Audit and Compliance Committee)
- Director: Bénéteau (Chairwoman of the Audit Committee and member of the Compensation Committee)
- Member of the Supervisory Board: Unibail Rodamco Westfield NV (Chairwoman of the Governance, Nomination and Remuneration Committee and Member of the Audit Committee)

In other structures outside the Crédit Agricole Group

- Manager: CPO Services
- Director and Treasurer: Class 40 Association
- Member: Royal Ocean Racing Club

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

- Director: Neopost (member of the Audit Committee and Chairwoman of the Compensation Committee) (2018)
- Member/Board Women Partners (2019)
- Advisory member of the board: Crédit Agricole S.A, Crédit Agricole CIB (2017)

Odet TRIQUET

Office held at Crédit Agricole CIB: **Director**
Member of the Risk Committee
Business address: CRCAM Touraine Poitou - 18 rue Salvador Allende – BP 307 - 86008 Poitiers Cedex - France

› BORN IN 1962

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2018

END OF TERM OF OFFICE

2024

SENIORITY ON THE BOARD OF DIRECTORS

> 3 years

Does not own any shares in Crédit Agricole CIB

› BRIEF BIOGRAPHY

Odet Triquet has been running a farm specialising in cereals and goat farming since 1989. He joined the Crédit Agricole Group in 1992 as Director of the Caisse Locale de Civray. He became its Chairman in 1997. In the same year he became Director of the Caisse Régionale de Touraine et du Poitou. He was appointed as Vice-Chairman of the Caisse Régionale in 2000 and then Chairman in March 2012. He also holds several positions of responsibility within the Group's national bodies, particularly as a member of Federal Committees, and within Group subsidiaries.

› MAIN AREAS OF EXPERTISE

Social and environmental responsibility

Governance

Banking regulation

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chairman: CRCAM Touraine Poitou
- Director: GIE CARCENTRE, FIRECA.
- Member of the Supervisory Board: CA Titres
- Member: FNCA federal bureau

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Director: CCPMA Prévoyance, Réunion d'information commune (AGRICA Group and AGRICA Gestion)
- Co-Manager: GAEC des Panelières

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Director: BforBank (Member of the Audit Committee) (2021)

In structures outside the Crédit Agricole Group

—

Claude VIVENOT

Office held at Crédit Agricole CIB: **Director**
Business address: CRCAM Lorraine - 56-58 avenue André Malraux - 57000 METZ - France

› **BORN IN 1958**

NATIONALITY

French

› BRIEF BIOGRAPHY

Claude Vivenot was president of one of the leading grain collection and supply cooperatives in Lorraine from 2001 to 2012 and has run a farm for a number of years. In parallel with these positions, he became a Director of the Metz local bank in 2005 and then Chairman in 2011. He joined the Regional Bank of Crédit Agricole de Lorraine in March 2006 as a Director. He has been appointed Chairman on 29 March 2012. At the same time, he has held numerous responsibilities and positions within the Crédit Agricole Group and holds several offices within Group subsidiaries.

› MAIN AREAS OF EXPERTISE

Human resources and compensation

Accounting and financial information

Governance

DATE OF FIRST APPOINTMENT

2021

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

< 1 year

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chairman: CRCAM Lorraine; Agriculture Commission (FNCA); Finance and Risks Committee (FNCA); IFCAM;
- Director: LCL; SAS Rue la Boétie;
- Member and Treasurer of the federal bureau (FNCA)

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

- Chief Agricultural Officer: EARL Redigny

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

—

Émile LAFORTUNE

Office held at Crédit Agricole CIB: **Advisory member of the board**
Business address: CRCAM de Guadeloupe – Petit-Pérou – 97176 Les Abymes Cedex - France

› **BORN IN 1953**

NATIONALITY

French

› BRIEF BIOGRAPHY

Emile Lafortune, who is a farmer, holds a PhD in physiology and a master's degree in biology.

In 2012, he became Director of the Caisse Locale de Port Louis and Director of the Regional Bank of which he then became first Vice-Chairman and then Chairman in 2017.

At the same time, he holds several representative offices within the Crédit Agricole Group.

› MAIN AREAS OF EXPERTISE

Social and environmental responsibility

Governance

Corporate Management

DATE OF FIRST APPOINTMENT

2020

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 1 year

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chairman: CRCAM of Guadeloupe

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

- Member: SAFER Guadeloupe (2017), CESER (2017)
- Chairman: IODE (Job Development Initiatives and Approaches) training centre (2020)
- Manager: ACWA HOLDING (2017)

Christian ROUCHON

Office held at Crédit Agricole CIB: **Advisory member of the board**

Business address: CRCAM du Languedoc - Avenue de Montpelliéret – Maurin – 34977 LATTES – France

› BORN IN 1960

NATIONALITY

French

› BRIEF BIOGRAPHY

Christian Rouchon joined the Crédit Agricole Group in 1988 as Head of Accounting and Finance at the Caisse Régionale de la Loire, then at the Caisse Régionale Loire Haute-Loire in 1991, where he became the Finance Director in 1994. He was appointed as the Information Systems Director of the Caisse Régionale Loire Haute-Loire in 1997. In 2003, he was appointed as Deputy General Manager responsible for operations at the Caisse Régionale des Savoie, before joining the Caisse Régionale Sud Rhône-Alpes in September 2006 as the Deputy General Manager responsible for development. In April 2007, he became Chief Executive Officer.

Since September 2020, Christian Rouchon has been Chief Executive Officer of the Caisse Régionale du Languedoc. He also holds several positions of responsibility within the Group's national bodies, particularly as a member of Federal Committees, and within Group subsidiaries.

› MAIN AREAS OF EXPERTISE

Accounting and financial information

Banking regulation

Strategic planning

DATE OF FIRST APPOINTMENT

2019

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 2 years

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 31 DECEMBER 2021

In Crédit Agricole Group companies

- Chief Executive Officer: CRCAM Languedoc
- Director: Amundi (Chairman of the Risk Committee and the Audit Committee)
- Member of the Supervisory Committee: CA Transitions Fund

In companies outside the Crédit Agricole Group whose shares are admitted for trading on a regulated market

—

In other structures outside the Crédit Agricole Group

—

› POSITIONS HELD IN THE LAST FIVE YEARS (the end year of the term of office is stated in brackets)

In Crédit Agricole Group companies

- Chairman of the Board of Directors: BforBank (2017); Crédit Agricole Home Loan SFH (2017)
- Director: CA-Chèques (2018); Square Habitat Sud Rhône Alpes (2020); BforBank (2020); Crédit Agricole Home Loan SFH (2020)
- Chief Executive Officer: CRCAM Sud Rhône Alpes (2020)
- Non-shareholder Manager: Sep Sud Rhône Alpes (2020)
- Chairman: COPIL OFI (2017)
- Chairman of the Financial Organisation Committee, Protractor of the Finance and Risk Committee, Member of the Projet Entreprise et Patrimonial Committee and of the Rates Committee (2018): FNCA

In structures outside the Crédit Agricole Group

- Vice-Chairman: ANCD (2016)

1.3.2. Shares held by the Directors

The directors of Crédit Agricole CIB do not hold any shares in the Company.

1.3.3. Ethics, conflicts of interest, and privileged information

In accordance with the Rules of Procedure of the Board of Directors, in the performance of their duties, Directors, Advisory members of the board and members of the Executive Management are committed to respecting a number of rules, including the Rules of Procedure of the Board (see Article 3 partially reproduced below).

EXTRACT FROM THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS, ARTICLE 3

"Directors ensure that the principles and best corporate governance practices set out in this article are complied with, in particular to promote the quality of the Board of Directors' work.

The director, however appointed, must in all circumstances act in the Company's interests.

When they take office, and throughout their term of office, the director must fully understand their rights and obligations. In particular, the director must be aware of and comply with the legal and regulatory provisions applicable to the Company and those relating to their position. The director must familiarise themselves with applicable governance codes and best practices, including the Crédit Agricole Group's Ethics Charter and the Code of Conduct, as well as the Company's own rules set out in its articles of association and the Board of Directors' rules of procedure. The Chairman of the Board shall ensure that the Directors are properly informed, and they must ensure that they have all the information they need to effectively participate in discussions on items included on the Board meeting's agenda or on any items included on the agenda of meetings of the Specialised Committees of the Board of which they are members. The Chairman of each Committee shall also ensure that all members of the Committee are sent the information they need to carry out their duties.

The director shall devote the necessary attention and time to their duties. They must attend all meetings of the Board and of Committees of which they are members, unless they are genuinely unable to do so.

The director endeavour to preserve, in all circumstances, their independence and freedom of judgement, decision and action. They must remain impartial and not let themselves be influenced by any element outside the corporate interest, which it is their duty to defend.

They undertake to inform the Board of any change in their personal or professional situation that could call into question the conditions of their appointment relating in particular to their reputation, availability or independence of mind.

The director makes all recommendations they believe could improve the operating procedures of the Board. They endeavour, collectively with the other members of the Board, to ensure that the tasks of the Board of Directors are carried out efficiently and smoothly.

They act in good faith and do not take any initiative that could harm the interests of the Company or other group entities. They alert the Board to any information in their possession that would not be in the interests of the Company. They are bound by a duty to express their questions and opinions. In the event of disagreement, they ensure that these are explicitly recorded in the minutes of the deliberations.

In addition, they inform the Board of any potential conflict of interest situation, including potential ones, in which they could be exposed directly or indirectly. They shall not take part in the discussions or vote on the items in question.

In general, the director is bound by the obligations applicable to them in accordance with the French Monetary and Financial Code and the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers, AMF), notably regarding the use and disclosure of confidential and/or privileged information and conflicts of interest.

The director respects the total confidentiality of the information they receive, or which is exchanged during the discussions in which they participate within the framework of the Board of Directors or its Committees, as well as the confidentiality of the decisions taken.

For the record, members of the Board of Directors must abstain from using privileged information, on their own behalf or on behalf of others, either directly or indirectly, to acquire or sell, or attempt to acquire or sell financial instruments to which this information relates as long as the information has not been made public.

In particular, if in the exercise of their office as Director they obtain privileged information about the Company, they are prohibited from using such information to carry out, or have a third party carry out, any transactions on the Company's financial instruments.

Since the director holds information on the financial results of the Company and, consequently, indirectly on Crédit Agricole S.A., in accordance with the rules of the Crédit Agricole S.A. Group, they must limit any transactions in Crédit Agricole S.A. securities to each six-week period following the publication of the annual, half-yearly and quarterly results, as long as they are not privy to any inside information during these periods.

In addition, the Company can prohibit trading in any Crédit Agricole S.A. financial instruments, including during authorised periods, as well as in any financial instruments that would be the subject of privileged information within the framework of the meetings of the Board of Directors or one of its Committees (strategic operations, acquisition operations, creation of joint ventures, etc.).

The director is required to declare to the Conflicts Management Group within the Compliance Department of the Company, on behalf of themselves and all persons closely related to them, all transactions carried out on any financial instruments, except those issued by or linked to the Company or to Crédit Agricole S.A., that they believe may create a potential conflict of interest or contain confidential information that may be qualified as privileged and acquired in the course of their duties as a Director of the Company.

Moreover, when the director is no longer in a position to perform their duties in accordance with the provisions of this article due to their own action or for any other reason including the rules of the Company in which they carry out their duties, they must inform the Chairman of the Board of Directors, seek solutions to remedy the situation and, failing that, take the personal consequences from carrying out their duties."

EXTRACT FROM THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS, ARTICLE 4

"[...] Members of the Executive management and Advisory members of the board commit to complying the provisions of CACIB rules and regulations that are applicable to them, including the provisions related to conflicts of interest or privileged/confidential information of which they would be aware."

3

Conflicts of interest

To Crédit Agricole CIB's knowledge, there is no conflict of interest between the duties of members of the Board of Directors and the Executive Management with respect to Crédit Agricole CIB and their private interests.

Crédit Agricole CIB's Board of Directors and Executive Management are made up of Corporate Officers of companies (including Crédit Agricole Group companies - the Crédit Agricole or Crédit Agricole S.A. Regional Banks) with which Crédit Agricole CIB has or could have commercial relationships. This may be a source of potential conflicts of interest. The composition of the Board of Directors is based on the desire to reflect the capital structure of Crédit Agricole CIB, which is 100% controlled by the Crédit Agricole Group, as well as the diversity objectives defined by the Board of Directors. For your information Crédit Agricole CIB is affiliated with the Crédit Agricole network and that Crédit Agricole S.A. acts as a central entity in accordance with the provisions of article L. 511-31 of the Monetary and Financial Code.

In addition, they inform the Board of Directors of any potential conflict of interest situation, including potential ones, in which they could be exposed directly or indirectly. They abstain from participating in discussions and decision-making on such matters.

Reputation - Integrity

To the best of Crédit Agricole CIB's knowledge, to date, no convictions for fraud, bankruptcy, receivership or liquidation have been filed in the last five years against any member of the Board of Directors or Executive Management of Crédit Agricole CIB.

To the best of Crédit Agricole CIB's knowledge, no member of Crédit Agricole CIB's administrative or management bodies has been prevented by a court from acting in that capacity or from intervening in a management or executive capacity in the activities of a listed company during the last five years.

Service contracts

There is no service contract directly binding the members of the Board of Directors or Executive Management to Crédit Agricole CIB or to any of its subsidiaries which provides for the granting of benefits under this agreement.

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1.3.4. Transactions carried out on the securities of Crédit Agricole CIB (Art. L. 621-18-2 of the French Monetary and Financial Code)

Given that Crédit Agricole CIB's shares are not listed on a regulated market, the provisions of Article L. 621-18-2 of the French Monetary and Financial Code regarding this category of securities are not applicable to Crédit Agricole CIB.

For 2021, Crédit Agricole CIB has no knowledge of the existence of transactions conducted on their own account by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code and relating to debt securities of Crédit Agricole CIB or related derivatives or other financial instruments.

Information on the ownership structure at 31 December 2021 is provided in Note 6.17 to the consolidated financial statements (see section 3 of Chapter 6 "Consolidated financial statements at 31 december 2021")

1.3.5. Agreements referred to in Article L. 225-37-4-2° of the French Commercial Code

In accordance with the provisions of Article L. 225-37-4 2° of the French Commercial Code, to the best of Crédit Agricole CIB's knowledge, no agreement has been reached, directly or by any intermediary during 2021 financial year, between:

- on one hand, the Chief Executive Officer, the Deputy Chief Executive Officer, one of the Directors or one of the shareholders holding a fraction of the voting rights greater than 10% of Crédit Agricole CIB and;
- on the other hand, another company in which Crédit Agricole CIB holds, directly or indirectly, more than half of the capital, unless they are agreements on current transactions executed under normal conditions;

except the tripartite (Crédit Agricole S.A., Crédit Agricole CIB, and Crédit Agricole Indosuez) agreement for the corporate tax of CA Indosuez supported by Crédit Agricole CIB on foreign exchange gaps relating to holdings in CHF received as part of CA Indosuez Wealth (Group) merger absorption carried out on the July 1, 2021 in favor of CA Indosuez.

1.4. COMPENSATION POLICY

1.4.1. General principle of the compensation policy

Crédit Agricole CIB has established a responsible compensation policy that aims to reflect its values while respecting the interests of all the stakeholders, including employees, clients and shareholders.

In light of the specific characteristics of its business lines, its legal entities, and national and international legislation, Crédit Agricole CIB has developed a compensation policy which is internally consistent, gender neutral, and externally competitive on its reference markets, to ensure the bank can attract and retain the talents it needs. Benchmarking with other financial institutions is regularly carried out for this purpose.

Compensation awards, particularly variable ones, aim to reward individual and group performance over time while promoting sound and effective risk management.

This Compensation Policy aims to reward employees fairly and appropriately for their contribution towards the success of the business and the level of service and performance delivered to the clients of Crédit Agricole CIB. Therefore, the Compensation Policy is designed to avoid conflicts of interest in accordance and, in particular, to ensure that employees do not favour their own or Crédit Agricole CIB's interests to the detriment of the best interests of the clients. The compensation policy of Crédit Agricole CIB promotes sound risk management in compliance with the bank's risk appetite statement and framework.

The compensation policy of Crédit Agricole CIB is elaborated within a highly regulated framework specific to the banking sector. As a fundamental principle, Crédit Agricole CIB ensures compliance of its compensation policy with the current legal and regulatory environment at national, European and international levels, notably incorporating provisions of the following regulations:

- Directive 2019/878 of the European Parliament and of the Council of 20 May 2019, transposed into the French Monetary and Financial Code by Ordinance no. 2020-1635 of 21 December 2020 (hereinafter "CRD V");
- Law no. 2013-672 of 26 July 2013 on separation and regulation of banking activities (hereinafter the "French Banking Law");
- The rule enacted by Section 13 of the Bank Holding Company Act, implementing Section 619 of the Dodd–Frank Wall Street Reform and Consumer Protection Act (hereinafter the "Volcker Rule");
- Directive 2014/65/UE of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and Regulation 600-2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, transposed into the Monetary and Financial Code by Ordinance no. 2016-827 of 23 June 2016 and Regulation 2017/565 of 25 April 2016 of the European Commission (hereinafter "MiFID II").

The Crédit Agricole CIB compensation policy may be adapted locally to comply with requirements of regulations in countries where entities of Crédit Agricole CIB are established, if the local requirements are more stringent than those of the policy of Crédit Agricole CIB. Where applicable, adjustments need to be discussed between Head of the entity (subsidiary, branch or representative office), control functions, entity Head of HR and the HR team of Crédit Agricole CIB.

This compensation policy was approved by the Crédit Agricole CIB Board of Directors' meeting of February 8th 2022.

1.4.2. Total compensation

The total compensation of Crédit Agricole CIB Group's employees is made up of the following components:

- Fixed compensation;
- Annual variable individual compensation;
- Collective variable compensation;
- Long-term variable compensation;
- Supplementary pension and health insurance plans; and
- Benefits in kind.

An employee may be eligible to all or some of these elements, depending their responsibilities, skills, performance and location.

Attribution of compensation elements is based on internal equity and on external market references, and also takes into account collective and individual qualitative and quantitative performance.

The qualitative aspect of performance includes notably the evaluation done by the control functions; in case of an incident related to compliance with rules and procedures and risk limits, the attribution of remuneration elements takes it into account. The impact on remuneration in case of conduct risk is reviewed and validated on annual basis by the General Direction.

A - FIXED COMPENSATION

Fixed compensation rewards employees for the responsibilities entrusted to them, as well as for the competencies used to exercise these responsibilities, in a manner that is consistent with the specificities of each business line in their local market.

These responsibilities are defined by a remit and contributions, a level within the organization and expected skills and experience.

Fixed compensation is set at a sufficient level to allow for variable compensation not to be paid in the case of underperformance.

Fixed compensation is reviewed in line with the evolution of the employees' responsibilities and with the development of skills required for the role, appreciated within the framework of annual performance appraisal based on objectives achievement and fulfilment of permanent responsibilities of a position.

When an employee takes a new position, fixed compensation is determined taking into account the change of responsibilities.

Fixed compensation includes base salary, as well as of any other recurrent compensation components not linked to performance.

B - ANNUAL INDIVIDUAL VARIABLE COMPENSATION

Variable compensation is directly linked to individual and collective annual performance. Individual performance is assessed based on the achievement of qualitative and quantitative objectives defined at the beginning of each performance year, and includes an assessment of whether the employee acted in the clients' best interests. More generally, compliance with internal rules and procedures and with the applicable legislation is a key factor of assessment of the employee's performance.

Collective performance is based on the determination of a firmwide envelope which is then broken down by business line. This envelope is defined in a way which does not limit the capacity of Crédit Agricole CIB to strengthen its equity capital as required. It takes into account all risks, including liquidity risk, cost of capital, in line with regulatory principles.

Variable compensation includes bonus, as well as of any other individual compensation component linked to performance, including guaranteed variable compensation.

◆ 1 - Definition of variable envelopes

In order to define its global variable compensation envelope, Crédit Agricole CIB uses a multi-criteria approach which is based on the analysis of performance and of risks, control objectives and financial situation, including maintaining a sound capital base and liquidity.

The variable remuneration envelope is defined taking into account all the performance and risks indicators, including:

- Revenue,
- Direct and indirect expenses,
- Cost of risk,
- Cost of capital,

via an analysis of the evolution of several aggregate indicators, such as Gross Operating Income, Net Result (Group share), Contribution and Payout ratio.

The Contribution is defined by the following formula, based on standard accounting definitions:

Net Banking Income (NBI) – direct and indirect expenses excluding bonuses – cost of risk – cost of capital before taxes

- NBI is calculated net of liquidity cost.
- The cost of risk is understood to be the provisions for default.
- The cost of capital, allowing to take into account the return on equity specific to a business line, is calculated by applying the following formula:
- Risk-Weighted Assets (RWA) X Supply rate of capital (Tier 1 ratio target) X ß (the coefficient that measures the market risk of a business line and that allows for an adjustment of the Tier 1 ratio according to the capital requirement that is linked to the business line).

The Payout ratio corresponds to the ratio between the variable compensation envelope and the amount of Contribution.

The global envelope defined as above is then split between business lines, control and support functions of Crédit Agricole CIB, depending on criteria relevant for each function or team, defined and documented in a detailed manner, and linked to:

- Quantitative performance, including creation and development of long-term competitive advantage for the Group,
- Management of underlying risks,
- Qualitative performance of a business line or function,

- Situation on the external market.

For each performance year: Crédit Agricole CIB verifies that attribution of variable compensation is compatible with maintaining a sound capital base, and that the bank meets the combined buffer requirement (Art.141 p.2 of the European Directive 2013/36/UE of 26 June 2013).

2 - Individual bonus award

Individual bonuses are awarded within envelopes attributed by business line or support function; individual attribution by employee is discretionary and decided by the management, taking into account a global evaluation of individual and collective performance, both quantitative and qualitative.

To avoid a situation of a conflict of interest, or failure of an employee to take into account the interests of a client, there exists no direct and automatic link between the commercial and financial results of an employee and their variable compensation.

Individual attribution of variable compensation takes into account eventual cases of non-compliance with rules and procedures and risk limits, as identified within the framework of Conduct risk evaluation process in place in Crédit Agricole CIB.

In certain cases, other elements of variable compensation may be awarded in addition to the individual bonus, as is the case for Senior executives.

3 - Guaranteed variable compensation

Guaranteed variable remuneration is exceptional, and can only be attributed if the bank has a sound and strong capital base. The amount of variable compensation may be guaranteed in the context of external recruitment or a retention. Guaranteed variable compensation can take the form of "guaranteed bonus", "sign-on bonus", or "retention bonus".

In the context of external recruitment, variable remuneration guarantee cannot be extended for longer than the first year of employment.

Retention bonuses may be awarded for a pre-determined period and under specific circumstances (such as restructuring, closure or transfer of activity).

Attribution of guaranteed variable remuneration is subject to the payment conditions applicable for the performance year, and may entail deferral of a part of the remuneration.

4 - Buy-out of deferred variable compensation

In case of an external recruitment, Crédit Agricole CIB may compensate the loss of unvested deferred variable attributed by the previous employer and forfeited following a termination of the labour contract.

5 - Ratio between fixed and variable remuneration

For the staff identified as regulated in the sense of Directive 2019/878/UE of the European Parliament and the Council of 20 May 2019, the maximum attributable variable remuneration for the performance year is equal to the employee's fixed compensation. The maximum ratio may be increased to 200% of the fixed compensation by the decision of the General Shareholders Meeting.

In alignment with the regulated staff, the variable of all other employees of Crédit Agricole CIB is limited at twice the amount of their fixed compensation.

6 - Payment of the variable remuneration

In order to align the interests of all employees of Crédit Agricole CIB with the bank's long-term objectives, and to ensure sound and prudent risk management, a part of the variable compensation of all employees of Crédit Agricole CIB is deferred over time, if above a threshold.

(i) The rules and conditions for payment of the variable compensation of the regulated staff are described in Chapter III of the Policy.

(ii) For non-regulated staff, the variable remuneration is split into vested part and part deferred over three years.

The deferred part vests by equal instalments each year: 1/3 in year Y+1, 1/3 in year Y+2 and 1/3 in year Y +3 where the performance year is Y, provided the vesting conditions are met:

- Performance condition;
- Presence condition;
- Compliance with internal rules and risk limits.

The deferred variable compensation is attributed in the form of cash, 50% of which is indexed at the share price of Crédit Agricole S.A..

(i) If, within five years after payment of the variable compensation, it is discovered that an employee: (i) participated in, or was responsible for, or contributed to a significant loss for Credit Agricole or its clients; or (ii) was responsible of a significant breach of internal or external rules or procedures, Crédit Agricole CIB reserves the right to demand repayment or 'clawback' of all or part of the amounts paid, subject to enforceability under applicable local law.

(ii) The employees of Crédit Agricole CIB are not authorised to transfer the downside risks of variable remuneration to another party through hedging or any type of insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

7 - Variable compensation of employees whose activities are subject to a mandate (French Banking Law, Volcker rule, etc.)

Variable compensation is awarded so as not to reward or encourage prohibited trading activities, but may reward the generation of revenue or the supply of services to clients. Any award must comply with internal policies and procedures, including but not limited to the Volcker rule compliance manual.

Individual performance bonuses are based on a number of factors including, but not limited to an assessment of the attainment of pre-defined individual and collective targets, which are set for employees in strict compliance with the terms of the mandate they manage.

Quarterly controls performed by the Risk and Permanent Control Division and the Global Market Division are used to verify the correct application of the mandates.

During the annual appraisal, managers assess employees' performance based on objectives set in the beginning of the performance year, including compliance with trading mandates. The appraisal takes into account cases of breach of internal rules and procedures, and in particular non-compliance with mandates.

8 - Remuneration of employees participating in providing services to clients

The remuneration policy of employees involved in the provision of services to clients aims to encourage responsible business conduct, fair treatment of clients as well as to avoid conflict of interest in the relationships with clients. Notably, the annual performance appraisal and/or the remuneration awarded to employees take into account the opinion of the control functions, in case of an incident related to provision of services to clients.

9 - Variable compensation of the control functions

In order to prevent potential conflict of interests, the compensation of the control functions is defined independently of the compensation of the employees of the business lines for which they validate or review the operations. The objectives set for the control functions and the budgets used to determine their variable compensation must not take into account the criteria related to the results and economic performance of the business area that they control. Their variable compensation envelope is defined according to market practices.

The Crédit Agricole CIB Compensation Committee, as part of its remits, ensures compliance with the principles of determining the compensation of the Heads of risk and compliance.

C - COLLECTIVE VARIABLE COMPENSATION

Crédit Agricole CIB has been implementing for many years a policy aiming to involve the employees collectively in the results and the performance of the bank. For this purpose, a collective variable compensation system (discretionary and mandatory profit sharing) was set up in France. Similar arrangements aiming to share the bank results with all members of staff may be also set up in the international entities.

D - LONG-TERM VARIABLE COMPENSATION

This variable compensation component federates, motivates and increases loyalty. It complements the annual variable compensation mechanism by rewarding the long-term collective performance of the group.

It consists of several systems that are differentiated according to the level of responsibility in the organization:

- "Employee" shareholding, which is open to all employees subject to conditions defined by the Board of Directors of Crédit Agricole S.A.;
- Long-term compensation in share-linked cash and/or cash subject to performance conditions based on economic, financial and social criteria defined in line with the long-term strategy of the Crédit Agricole S.A. Group. It is reserved for Group senior and key executives.

E - PENSION AND HEALTH INSURANCE PLANS

Depending on the country and the relevant market practices, Crédit Agricole CIB undertakes to provide its employees with social security coverage that is designed to:

- Assist with setting up retirement income or savings;
- Provide a reasonable level of social security coverage for employees and their family.

These benefits are a routine part of the remuneration packages, put in place for all employees of Crédit Agricole CIB including its international entities. Benefits are subject to collective arrangements, complementing the mandatory regimes, specific to each country where a Crédit Agricole CIB entity is located.

F - BENEFITS IN KIND

In certain cases, the total compensation also includes benefits in kind. This includes notably:

- Providing a company car depending on the employee's level of responsibility;
- Benefits designed to cover the difference in the cost of living for expatriate populations.

Depending on country, these benefits may be complemented by other arrangements designed to provide a simulating working environment and ensure a healthy work-life balance.

1.4.3. Governance of compensation policy

Crédit Agricole CIB compensation policy is reviewed annually by the Executive Management, following a proposal by the Human Resources Division and in accordance with the main guidelines of the Crédit Agricole S.A. Group compensation policy. This policy is also reviewed by the Control Functions. The compensation policy is approved by the Board of Directors, on the basis of a recommendation by the Remuneration Committee.

In compliance with the principles of the Group policy, the Human Resources Division associates the control functions with the consideration of the risks in the compensation management, notably in identifying the regulated population, compliance with the regulatory norms and the control of the conduct risk. In addition, as for all the support functions, the variable compensation envelopes of the control functions are defined on the basis of objectives specific for the control functions, and independent of the results of the business areas they control.

The implementation of the compensation policy is subject to annual control of the Group Internal audit.

1.4.4. Remuneration of identified staff

In line with the regulations applicable to the credit institutions and investment firms, and in consistency with the general principles of the Group, Crédit Agricole CIB identifies its risk takers, i.e. employees whose professional activities have a significant impact on the risk profile of Crédit Agricole CIB.

The identification of risk takers at the level of Crédit Agricole CIB is compliant with Article 92 of Directive 2013/36/EU of the European Parliament and the Council of 26 June 2013, amended by Directive (EU) 2019/878 of 20 May 2019 (hereafter referred to as "CRD V"). In the countries where national regulators enforce similar requirements, based on the Guidelines of the Financial Stability Board, the entities of Crédit Agricole CIB also apply the local remuneration requirements.

The remuneration policy applicable to risk takers aims to promote sound and efficient risk management, and does not encourage risk-taking above the limit which is considered acceptable for the bank.

A - SCOPE OF APPLICATION

The identification of employees considered as risk takers in the sense of CRD V Directive is a joint process between Crédit Agricole CIB and Crédit Agricole S.A., and between the Human Resources department and the control functions of Crédit Agricole CIB. This process is subject to annual review.

In Crédit Agricole CIB, in application of Delegated Regulation of the European Commission (EU) 2021/923 of 25 March 2021, the following categories of personnel are considered identified:

- Members of the Management body and senior management,
- Employees with managerial responsibility over the control functions or material business units,
- Heads of key business lines,
- Heads of key support functions,
- Employees with authority to take decisions on significant credit risk exposures or trading book transactions,
- Employees entitled to significant remuneration for the preceding performance year,
- Any other employee considered as having a significant impact on the risk profile of Crédit Agricole CIB, as identified by Risk and Permanent Control, Compliance and Human Resources divisions, and validated by the senior management.

In addition, employees may be identified as risk takers at the level of a local entity, as defined by the relevant local legislation.

B - COMPENSATION POLICY FOR RISK-TAKERS

The compensation policy for the risk takers aims to promote sound risk management and to involve the employees in the mid- and long-term performance of Crédit Agricole CIB.

In compliance with the regulatory requirements, the compensation policy has the following characteristics:

(i) The total amount of variable compensation is defined taking into account the performance of the employee and of the operation unit as well as the performance of the bank as a whole, based on both financial and non-financial performance criteria;

(ii) In the same way as for all staff, the amounts of variable compensation and their distribution do not limit the bank's ability to strengthen its equity capital as required;

(iii) The variable compensation cannot be above 100% of the fixed compensation. The Shareholders Meeting can approve a higher maximum ratio, provided that the total variable component does not exceed 200% of each employee's fixed compensation. The Shareholders Meeting of Crédit Agricole CIB of May 4th 2020 voted a resolution establishing the maximum ratio between the variable and fixed compensation at 200% for the remuneration attributed for 2020 onwards, until a new decision is voted by the Shareholders Meeting.

(iv) When variable compensation is above 50 000 EUR or above 1/3 of total compensation, a part of it representing 40% to 60% is deferred over 4 to 5 years, and is vested on pro-rata basis in equal instalments, the vesting being subject to performance, presence and risk management conditions. If a national competent authority imposes stricter proportionality criteria, the stricter rules apply to the risk takers within the scope of the national regulation.

(v) 50% of the variable compensation is attributed in the form of financial instruments (indexed on the share of Crédit Agricole S.A.). The attribution of 50% in the form of instruments applies both to the vested part and to each instalment of the deferred part of variable compensation.

Vesting of variable compensation attributed in the form of financial instruments is followed by a retention period of six months. It is prohibited for the employees to hedge or use any form of insurance which could undermine the risk alignment effects embedded in the compensation arrangements.

If during the five years following the payment of a deferral instalment, the bank discovers that the employee: (i) is responsible for or contributed to actions that led to significant losses for Crédit Agricole CIB or its clients, or (ii) committed a breach of internal or external rules and procedures, Crédit Agricole CIB reserves the right, subject to feasibility under the applicable local labour legislation, to claw back all or part of the amount already paid to the employee.

1.4.5. Remuneration of Senior management

The compensation policy applicable to Crédit Agricole CIB's executive directors is part of the compensation policy for Crédit Agricole S.A. senior management.

A - GENERAL PRINCIPLES

The compensation policy for the members of Crédit Agricole CIB Executive Management is approved by the Board of Directors on the basis of a proposal by the Remuneration Committee. This policy is reviewed annually by the Board of Directors in order to take into account changes in the regulatory environment and external market context.

It is consistent with the compensation policy for the senior executives of Crédit Agricole S.A. Group. This principle allows to bring the Group's senior management together around common and shared criteria.

In addition, the compensation of members of Crédit Agricole CIB Executive Management is compliant with:

- The regulatory framework defined by the Monetary and Financial Code and the Ordinance of 3 November 2014 on internal control in credit institutions and investment firms, which transposes into French law the European provisions on the compensation of identified staff, which includes executive directors;
- The recommendations and principles of the Corporate Governance Code for listed companies (the "AFEP/MEDEF Code").

The Board of Directors reviews annually the compensation components for members of the Executive Management, following a proposal of the Remuneration Committee, with the principal objective of recognizing long-term performance.

B - FIXED COMPENSATION

Based on a proposal of the Crédit Agricole CIB Remuneration Committee, the Board of Directors establishes the fixed compensation of the members of Crédit Agricole CIB Executive Management, taking into account:

- The scope of activities supervised;
- Market practice and compensation level for similar roles. At the Group level, surveys are conducted annually with the assistance of specialised firms regarding the positioning of the compensation of the bank's executive directors compared to other firms in the financial sector in order to ensure the consistency of the compensation principles and levels.

In accordance with the recommendations of the AFEP/MEDEF Code (Section 23.2.2), the fixed compensation of executive directors is reviewed only at fairly lengthy intervals, unless a change in a person's scope of supervision justifies a review of their fixed compensation.

When a new Executive Corporate Officer is appointed, his or her compensation will be determined by the Board of Directors, either in accordance with the principles and criteria approved by the General Meeting or in accordance with the existing practices for officers exercising similar functions, adapted where applicable when the person takes up new functions or a new office with no equivalent in respect of the preceding period.

C - VARIABLE COMPENSATION

1 - Annual variable compensation

Based on a proposal of the Crédit Agricole CIB Remuneration Committee, the Board of Directors establishes the variable compensation of the members of Crédit Agricole CIB Executive Management.

The variable compensation policy for the members of the Executive Management is specifically aimed at:

- linking compensation levels with actual long-term performance;
- linking the interests of the management with those of the Group by including financial and non-financial performance.

For each member of Executive Management, 50% of the performance bonus is based on financial criteria and 50% on non-financial criteria, thereby combining recognition of overall performance with a balance between financial and managerial performance. The Board of Directors reviews and, if appropriate, approves the financial and non-financial criteria proposed by the Remuneration Committee.

Performance bonus may reach the target level if all the financial and non-financial objectives are achieved, and may reach the maximum level in case of exceptional performance. The target and maximum levels are expressed as a percentage of the fixed salary and are defined by the Board of Directors for each member of Crédit Agricole CIB Executive Management.

A Long Term Incentive for Group Crédit Agricole S.A. senior executives may complement the performance bonus, to support a sustainable performance beyond financial results and strengthen the link between performance and compensation, notably including societal impact. The LTI is granted based on managerial assessment and is included in the global variable compensation subject to the approval by the Board of Directors.

In accordance with the AFEP/MEDEF Code (paragraph 23.2.3), variable compensation is capped and may not exceed the maximum levels established by this Compensation Policy (cf.above).

2 - Vesting conditions of the annual variable compensation

The deferred part of variable compensation, representing 40% to 60% of total variable, is awarded in the form of instruments indexed the Crédit Agricole S.A. share price and is conditional upon achievement of three performance targets: one linked to performance, a second to the presence within the Group and a third to the absence of risky behaviour.

The performance condition in the Crédit Agricole CIB deferred plan is linked to the attainment of a Net Income target by Crédit Agricole CIB.

The performance condition in the long-term incentive plan for Senior Executives of the Crédit Agricole S.A. group itselfis based on three targets:

1. the intrinsic financial performance of Crédit Agricole S.A., defined as the growth of Crédit Agricole S.A.'s operating income,
2. the relative performance of the Crédit Agricole S.A. share compared to a composite index of European banks,
3. the societal performance of Crédit Agricole S.A. measured by the FReD index [(1)].

For each criterion, vesting may vary from 0% to 120%. Each criterion accounts for one-third of the vesting. For each year, the percentage vested is the average percentage vested for each criterion, the average being capped at 100%.

The non-deferred part of the annual variable compensation, representing 60% to 40% of total variable, is paid in part at the time of award (in March) and in part after a six months' retention period. The latter portion is indexed to the performance of the Crédit Agricole S.A. share price.

D - STOCK OPTIONS - FREE SHARES GRANTED

No Crédit Agricole S.A. stock options were granted to Executive Corporate Officers by Crédit Agricole CIB.

E - OTHER COMMITMENTS

1 - Retirement

Some of the corporate officers benefit from one of the supplementary pension plans below. For those who benefit from it, the advantage was subject to the procedure governing related-parties agreements.

- a closed supplementary pension plan (before 2014). Entitlements under this differential defined benefit plan are only vested when beneficiaries end their career with Crédit Agricole CIB and are expressed as a percentage of the reference salary (i.e. the calculation base), which is equal to the annual average of the basic fixed annual remuneration paid over the last five years, recalculated using Social Security revaluation coefficients. The differential paid under the plan is capped at 1% of the reference pay per year of seniority, with a maximum of 25%. Management of this defined-benefit pension plan is outsourced to an organisation governed by the French Insurance Code. The outsourced assets are funded as necessary by premiums fully funded by the employer and subject to the 24% contribution provided for in Article L. 137-11 of the French Social Security Code.
- a supplementary pension scheme for senior employees of the Crédit Agricole Group, which Crédit Agricole CIB has not joined. Crédit Agricole S.A. joined this plan in January 2010 with the introduction of its pension rules adopted by collective bargaining agreement in accordance with Article L. 911-1 of the French Social Security Code.

In accordance with the Order of 3 July 2019, the entitlements under this defined-benefit pension plan were crystallised as of 31 December 2019. No additional entitlements will be granted for employment periods after 1 January 2020 and the benefit of these entitlements will remain uncertain and subject to continued employment.

From 2010 to 2019, the supplementary pension plan consisted of a combination of defined-contribution pension plans and a supplementary defined-benefit plan:

- contributions to the defined-contribution plan equal 8% of the gross monthly salary capped at eight times the social security cap (of which 3% paid by the Executive Corporate Officer);
- the entitlements under the supplementary defined-benefit plan, which are determined minus the annuity built up under the defined-contribution plans.

The reference salary is defined as the average of the three highest gross annual compensation amounts received during the last 10 years of activity within Crédit Agricole entities, including both

(1) FReD is an internal index to follow up and measure progress of Crédit Agricole S.A. related to social and environmental responsibility.

fixed compensation and variable compensation, the latter being taken into account up to a cap on fixed compensation.

In any case, on liquidation, the total pension income is capped, for all company pension plans and basic and additional obligatory plans, at 70% of the reference compensation, by application of the supplementary pension rules for Senior Executives of Crédit Agricole S.A.

This supplementary defined-benefit pension plan meets the recommendations of the AFEP-MEDEF Code and the former provisions of Article L. 225-42-1 of the French Commercial Code, which, for the periods in question, limited the rate of vesting of defined-benefit plan entitlements to 3% per year (text repealed by Order No. 2019-1234 of 27 November 2019):

- the group of potential beneficiaries was substantially broader than Executive Corporate Officers alone;
- minimum length of service: five years (the AFEP-MEDEF Code requires only two years of service);
- entitlement vesting rate of 3% of the reference pay per year of service;
- estimated supplementary pension below the AFEP-MEDEF cap of 45% of the fixed and variable compensation due in respect of the reference period;
- obligation for the beneficiary to be a Corporate Officer or an employee when exercising their pension entitlements.

This defined-benefit pension plan is subject to management outsourced to a body governed by the French Insurance Code.

The outsourced assets are funded by annual premiums fully funded by the employer and subject to the 24% contribution provided for in Article L. 137-11 of the French Social Security Code.

◆ 2 – Severance pay

No severance pay due or likely to be due in the event of termination or change of function is expected for the corporate officers by Crédit Agricole CIB. Otherwise, that will be the subject of the regulated conventions procedure.

◆ 3 – Non-compete clause

There are no plans for non-compete clauses for Executive Corporate Officers by Crédit Agricole CIB.

Otherwise, these would be subject to a regulated agreements procedure.

F - OTHER BENEFITS OF THE EXECUTIVE CORPORATE OFFICERS

Executive Corporate Officers benefit from health cover, life and disability cover and a car benefit. Unemployment cover is also in place for two of the Chief Executive Officers.

No other benefits are awarded to Executive Corporate Officers.

1.4.6. Compensation paid to members of the Board of Directors of Crédit Agricole CIB, in accordance with Article L. 225-45 of the French Commercial Code

TOTAL COMPENSATION BUDGET FOR MEMBERS OF THE BOARD OF DIRECTORS FOR 2021

The Ordinary General Meeting of Shareholders of Crédit Agricole Corporate and Investment Bank set a maximum total annual compensation budget of €700,000.

The Board of Directors does not grant any exceptional compensation for assignments or offices entrusted to directors (Article L. 225-46 of the French Commercial Code).

RULES GOVERNING THE DISTRIBUTION OF COMPENSATION TO THE BOARD OF DIRECTORS IN 2021

The compensation distribution criteria are mainly based on compensation for effective participation in meetings and availability for certain assignments.

◆ Meetings of the Board of Directors

A gross amount of €3,000 per meeting is allocated to each Board member for attending meetings. An additional annual flat gross amount of €20,000 is allocated to the Chairman of the Board.

Advisory members of the board receive the same compensation as Directors, which is paid out of the overall budget.

◆ Meetings of the Board of Directors' Specialised Committees

The rules on the distribution of compensation that were in force in 2021 are described in the table below.

	Chairman	Member
Compensation Committee	Annual flat rate: €6,000	Annual flat rate: €4,500
Appointments and Governance Committee	Annual flat rate: €4,500	Annual flat rate: €4,500
Audit Committee	Annual flat rate: €25,000	€3,300 per meeting with an annual cap of €23,500
Risk Committee	Annual flat rate: €30,000	€3,300 per meeting with an annual cap of €23,500

1.5. SUMMARY TABLE OF THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE WHICH WERE NOT FOLLOWED AND THUS EXCLUDED RELATING TO GOVERNANCE AND THE BOARD OF DIRECTORS FUNCTIONING

At 31 December 2021

Background information:

- Crédit Agricole CIB is 100%-owned by the Crédit Agricole Group (Crédit Agricole S.A. owns more than 97% of Crédit Agricole CIB's shares);
- Crédit Agricole CIB's governance is therefore in line with that of the Crédit Agricole Group.

The composition of the Board of Directors and its Committees reflects the corporate governance system, under which Board positions in certain Group subsidiaries are assigned to the Chairmen or Chief Executive Officers of the Crédit Agricole Group's Regional Banks.

AFEP-MEDEF Code Recommendations	Comments
11. Board meetings and Committee meetings 11.3 It is recommended that a meeting be held each year without the Executive Corporate Officers.	In 2021, Crédit Agricole CIB's Board of Directors did not arrange any formal meetings without the executive corporate officers in attendance. The annual assessment of the operations of the Board of Directors provided the members of the Board with an opportunity to state their expectations and areas for improvement in the Board's operations and organisation. The results of this assessment, including key concerns raised by Board members, were shared with the Appointments and Governance Committee and the Board of Directors. These results highlighted the quality of the relationship between the Board of Directors and Executive Management, as well as the transparency of their discussions, both of which were considered to be satisfactory or very satisfactory by all members of the Board. It should also be noted that the presentation of the compensation of the Deputy Chief Executive Officers and the discussions of the Board of Directors on this matter are made in their absence, which allows the Board to discuss their management, where necessary. Similarly, the audit plan for the following year is presented at a joint meeting of the Audit Committee and the Risk Committee, from which corporate officers are excluded. From 2022, on a proposal from the Appointments and Governance Committee, the Board of Directors has decided to hold an annual session without the executive corporate officers and, more broadly, the Company's managers in attendance at a joint meeting of the Audit Committee and the Risk Committee. The following persons will be able to attend these meetings: - the members of the two aforementioned Committees, - the Chairmen of the four Specialised Committees of the Board, - as well as any interested advisory members and director.
20. Directors must hold shares on their own behalf and own a minimum number of shares, which is significant with respect to the compensation awarded.	Crédit Agricole CIB's shares are not offered to the public and are not listed for trading on a regulated market. The Crédit Agricole Group holds 100% of the capital.
22. Termination of the employment contract if an employee becomes a Corporate Officer. 22.1 It is recommended that when an employee becomes an Executive Corporate Officer of the company that the employment contract binding them to the Company or to a Company of the Group be ended, either by contract termination or resignation. 22.2 This recommendation is applicable to the Chairman, the Chairman and Chief Executive Officer and the Chief Executive Officer of companies with a Board of Directors.	Jacques Ripoll is a member of the Executive Committee and the Deputy General Manager of Crédit Agricole S.A., in charge of the Large Client segment. As such, he manages the Bank's corporate and investment activities and oversees the wealth management activities and services for institutional investors and businesses. It is within this context that he has an employment contract with Crédit Agricole S.A.
23. Obligation of the Executive Corporate Officers to hold shares The Board of Directors sets a minimum number of shares that Executive Corporate Officers must keep in registered form until the end of their appointments. This decision will be reviewed at least with each renewal of their mandate.	Crédit Agricole CIB's shares are not offered to the public and are not listed for trading on a regulated market. The Crédit Agricole Group holds 100% of the capital.

1.6. PROCEDURES FOR SHAREHOLDER ATTENDANCE AT THE GENERAL MEETING

The procedures for participating in General Meetings of Shareholders are set out in section V of Crédit Agricole CIB's Articles of Association (see section 8 of the Universal Registration Document). The composition, functioning and main powers of the General Meeting, and a description of the rights of shareholders and the procedures for exercising these rights, are detailed in the following articles of Crédit Agricole CIB's Articles of Association: "Art.19 - Composition - Nature of Meetings", "Art. 20 - Meetings", "Art. 21 - Ordinary General Meetings" and "Art. 22 - Extraordinary General Meetings".

1.7. STRUCTURE OF CRÉDIT AGRICOLE CIB'S SHARE CAPITAL AND OTHER INFORMATION PROVIDED FOR IN ARTICLE L.22-10-11 OF THE FRENCH COMMERCIAL CODE

Capital structure

At 31 December 2021, Crédit Agricole's share capital consisted of 290,801,346 ordinary shares with a par value of €27 each, giving a share capital of €7,851,636,342. The shares are more than 97%-owned by Crédit Agricole S.A. and 100%-owned by the Crédit Agricole Group. Crédit Agricole CIB's shares have not been offered to the public and are not listed for trading on a regulated market.

There are no employee shareholding schemes at Crédit Agricole CIB and no securities holders with special control or voting rights.

To Crédit Agricole CIB's knowledge, there are no shareholder agreements that may result in restrictions on the transfer of shares or the exercise of voting rights.

There are no agreements regarding allowances for Board of Directors' members or employees in case of resignation or dismissal without real and serious cause or in case of job termination in a context of a public offering to buy or a public offering to exchange.

The Board of Directors' powers are described in Section 1.2.2. The terms and conditions for selling Crédit Agricole CIB's shares and the rules applicable to the appointment and replacement of members of the Board of Directors are governed by the provisions of the Articles of Association (Articles 7 and 9 of the Articles of Association). All changes to the Articles of Association fall within the remit of the shareholders at an Extraordinary General Meeting (Article 22 of the Articles of Association reproduced in Chapter 8 of the present Universal Registration Document).

1.8. INFORMATION ON DELEGATIONS FOR CAPITAL INCREASES

At 31 December 2021, no delegations had been granted by the General Meeting to the Board of Directors for capital increases.

The Board of Directors

2. COMPOSITION OF THE EXECUTIVE COMMITTEE AND THE MANAGEMENT COMMITTEE

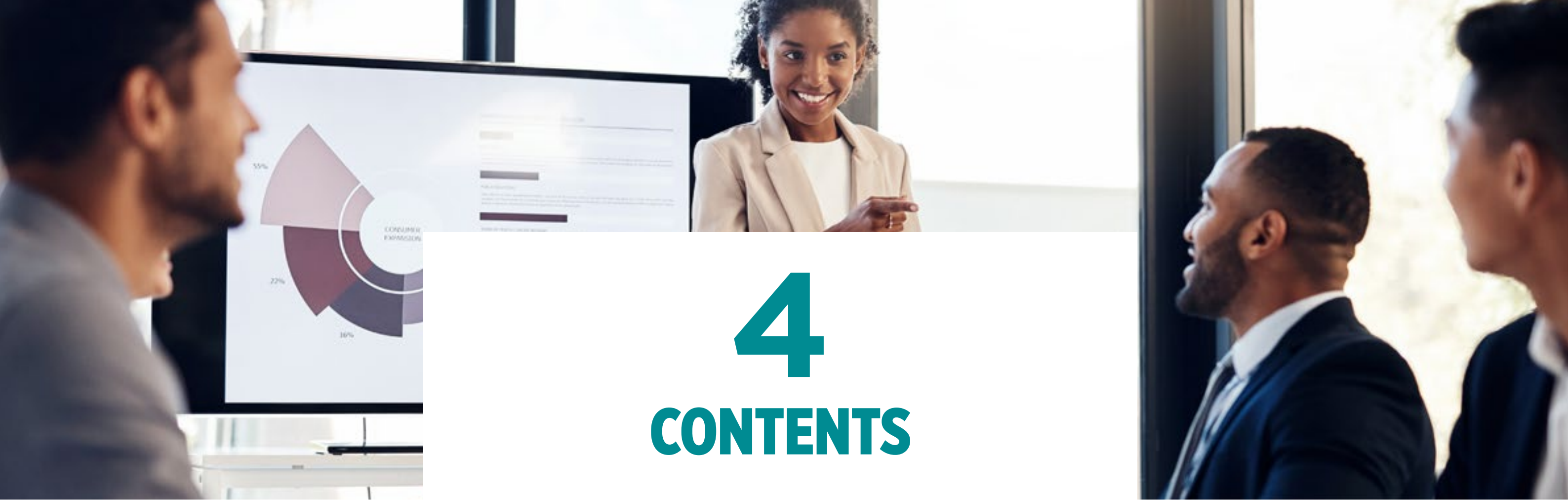
THE COMPOSITION OF THE CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK'S EXECUTIVE COMMITTEE AT 31 DECEMBER 2021 WAS AS FOLLOWS:

▪ Jacques RIPOLL	Chief Executive Officer
▪ Jean-François BALAŸ	Deputy Chief Executive Officer
▪ Olivier Bélorgey	Deputy Chief Executive Officer
▪ Pierre GAY	Deputy Chief Executive Officer
▪ Stéphane DUCROIZET	Deputy Chief Executive Officer - Risk & Permanent Control
▪ Pierre DULON	Deputy Chief Executive Officer - Global IT and OPC - Operations, Premises & Countries COOs
▪ Didier GAFFINEL	Deputy Chief Executive Officer - Global Coverage and Investment Banking
▪ Anne-Catherine ROPERS	Deputy Chief Executive Officer - Human Resources
▪ Georg ORSSICH	SRO Europe (excluding France)
▪ Marc-André POIRIER	SRO Americas
▪ Michel ROY	SRO Asia-Pacific

AS AT 31 DECEMBER 2021, THE MANAGEMENT COMMITTEE CONSISTED OF THE EXECUTIVE COMMITTEE AND:

▪ Régis MONFRONT	Chairman Investment Banking
▪ Thierry SIMON	SRO Middle-East – Africa
▪ Frank SCHÖNHERR	SCO Germany
▪ Ivana BONNET	SCO Italy
▪ Hubert REYNIER	SCO UK
▪ Jamie MABILAT	Debt Optimisation & Distribution
▪ Julian HARRIS	Debt restructuring & Advisory Services
▪ Anne GIRARD	Global Compliance
▪ Séverine MOULLET	Coverage France
▪ Laurent CAPES	Global Coverage Organisation
▪ Hélène COMBE-GUILLEMET	Global Investment Banking
▪ Tanguy CLAQUIN	Sustainability
▪ Frank DROUET	Global Markets Division
▪ Arnaud D'INTIGNANO	Global Markets Division
▪ Thomas SPITZ	Global Markets Division
▪ Arnaud CHUPIN	Control and Audit
▪ Laurent CHENAIN	International Trade & Transaction Banking
▪ Bruno FONTAINE	Legal
▪ Éric LECHAUDEL	OPC – Operations, Premises & Countries COOs
▪ Didier REBOUL	Crédit Agricole Group's ISE Division
▪ Danielle BARON	Structured Finance

2021 BUSINESS REVIEW AND FINANCIAL INFORMATION



4

CONTENTS

€ 5,9 B NET BANKING INCOME

N°5 WORLDWIDE IN ALL BONDS EUR [1]

[1] *Source: Refinitiv N1.*

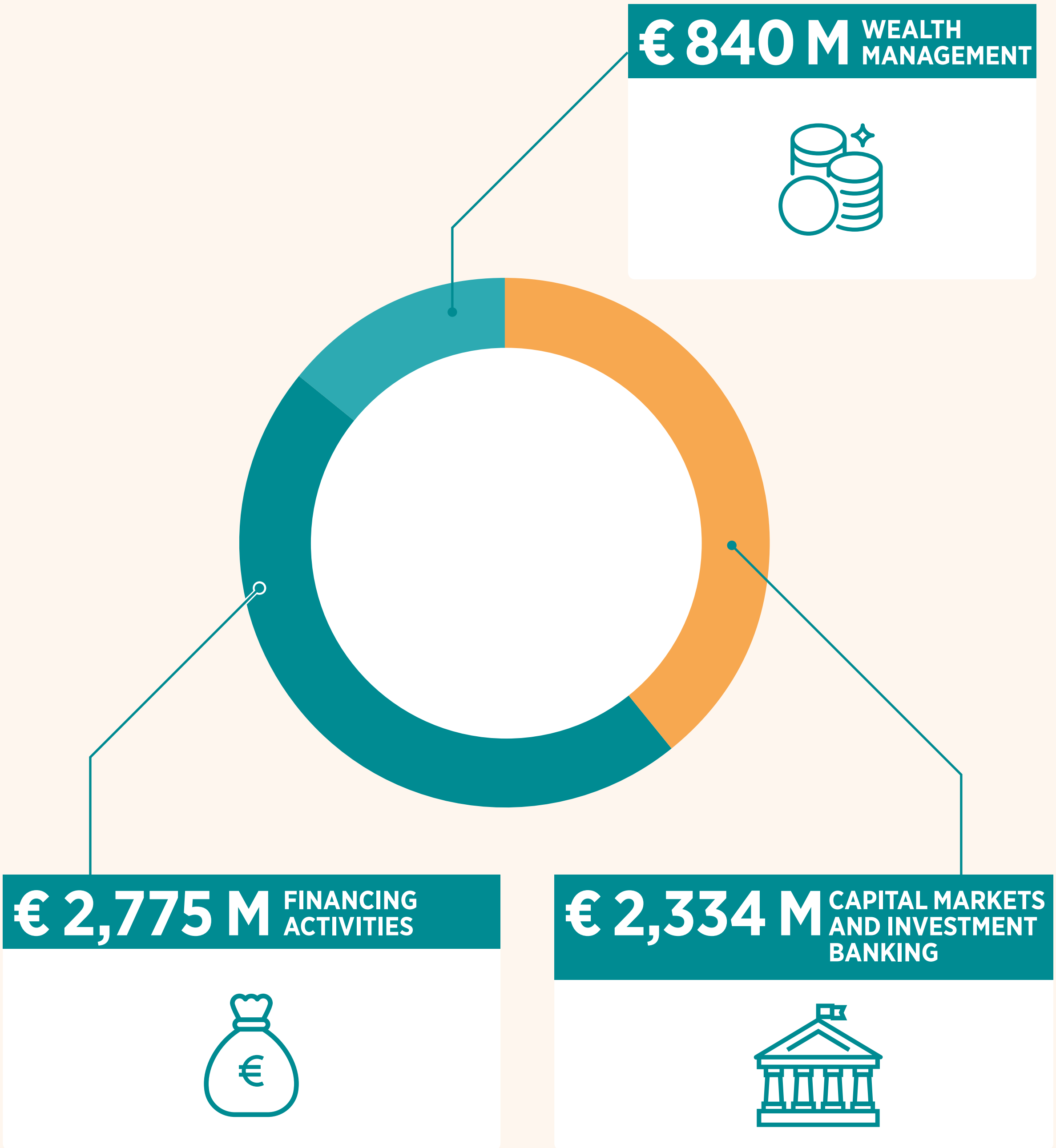
N°3 IN EMEA IN SYNDICATED FINANCE ACTIVITIES [1]

[1] *Bookrunner – Source Refinitiv R17.*

€ 135 B ASSETS UNDER MANAGEMENT (WEALTH MANAGEMENT) [1]

UNDERLYING (1) NBI BY BUSINESS LINE IN 2021

IN € MILLION



(1) Restated for the impact of loan hedges, the DVA, FVA liquidity cost and secured lending.

1. CRÉDIT AGRICOLE CIB GROUP'S BUSINESS REVIEW AND FINANCIAL INFORMATION

1.1. OVERVIEW OF CRÉDIT AGRICOLE CIB GROUP'S FINANCIAL STATEMENTS

Changes to accounting policies

Pursuant to EC Regulation No. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/ IFRS and IFRIC applicable at 31 December 2021 and as adopted by the European Union (carve-out version), by using certain exceptions in the application of IAS 39 on macro-hedge accounting.

The standards and interpretations are the same as those applied and described in the Group's financial statements at 31 December 2020.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2021 and that must be applied in 2021 for the first time.

Changes in consolidation scope

Changes in scope between 1 January 2021 and 31 December 2021 were as follows:

COMPANIES FIRST TIME CONSOLIDATED IN 2021

The following companies entered the scope of consolidation:

- Credit Agricole CIB Arabia Financial Company
- CA Indosuez Wealth (Europe) Italy Branch

COMPANIES DECONSOLIDATED IN 2021

The following companies went out of the scope of consolidation:

- Shark FCC
- Tsubaki ON
- Tsubaki OFF
- Crédit Agricole CIB Algérie
- Merisma (Universal transmission of Assets)
- CA Indosuez Wealth Group (Merger by CA Indosuez)
- CA Indosuez Wealth Italy S.P.A

1.2. ECONOMIC AND FINANCIAL ENVIRONMENT

2021 RETROSPECTIVE

Global economic performance continued to be largely conditioned by the spread of the virus and the health response (roll-out of vaccination, containment strategy), the structure of the economies (relative weight of industry and services, including tourism), and the fiscal and monetary counter-offensive (extent of support for activity). **As with the recessions experienced in 2020, recovery paths have remained uneven. China, boosted by its foreign trade and growing at a rate of 8.1%, the United States and then the Eurozone, which posted very good performances, continued to be contrasted with the half-hearted recoveries or fragile rebounds of many emerging countries, in which the trend towards fragmentation was clearly confirmed.**

Moreover, **inflation**, long forgotten, has returned to the forefront. The very sharp acceleration was the result of a combination of several factors: upstream pressures with strong increases in commodity prices and bottlenecks [(1)], downstream pressures from the strong rebound in household consumption supported by substantial financial aid and high savings inherited from the 2020 crisis, and base effects after very low inflation in 2020. While supply remained limited at the end of the crisis (lack of labour or goods), the normalisation of demand led to price increases in specific sectors, particularly those previously heavily penalised by the pandemic (hotels, restaurants or cars, for example).

In the **United States,** after Donald Trump's US$2.2 trillion Coronavirus Aid, Relief and Economic Security Act (CARES Act), the largest support plan in US history, and the US$900 billion December plan (a total of about 14% of GDP), Joe Biden's stimulus package (the American Rescue Plan) totalling US$1.9 trillion, or about 9% of GDP, was rolled out in March. Households, mainly those with low incomes, were the main beneficiaries. Thanks to the strong recovery in consumption, further boosted by the rapid fall in unemployment, growth has stood at 5.7% in 2021. In December, overall year-on-year inflation reached 7% (the first time this has happened since the early 1980s), with core inflation at 5.5%, its highest level since the early 1990s. In addition to the impact of energy and industrial input prices, some specific items (e.g. new cars, but especially used cars) driven by strong demand contributed to the acceleration of inflation.

The **Eurozone** has withstood the latest lockdown phases by limiting the negative effects to the sectors subject to targeted restrictive measures and by benefiting from the reactivation of its manufacturing sector. A pleasant surprise came from strong

(1) As prices can be very volatile, it is preferable to use average annual prices. Between 2020 and 2021, the price of oil (Brent) rose by almost 70%, while the price of gas in Europe quadrupled. The CRB index has risen by 43%. Iron and copper prices rose by 46% and 51% respectively. Food prices were not spared, as evidenced by the 23% rise in wheat prices. Finally, the Baltic Dry Index almost tripled, reflecting the extremely high level of tension in maritime traffic.

production investment supported by the strength of demand for manufactured goods, but also by the European funds of the recovery plan. After contracting by 6.5% in 2020, GDP is expected to grow by 5.2% in 2021. While excess demand and wage acceleration are much less evident than in the United States, headline inflation nevertheless picked up significantly to 5% year-on-year in December, while core inflation rose less vigorously (2.6%).

After suffering an 8% recession in 2020, **France** started a strong recovery in the second half of 2020 and continued into 2021. The new wave of infections and the spread of the Omicron variant raised new fears about the strength of the recovery in the short term, but the absence of very restrictive measures made it possible to limit the impact. After a marked mechanical rebound in the third quarter, growth slowed in the fourth quarter, while remaining sustained, allowing GDP to rise by 7% in 2021. Driven by the rise in commodity prices (especially energy, which accounts for more than half of the price increase), inflation accelerated to 2.8% over 12 months in December (1.6% on average).

Despite a shift in the Federal Reserve's rhetoric suggesting a more rapid normalisation of its monetary policy, an accommodative monetary stance was maintained in both the United States and the Eurozone.

In the **United States**, at the start of the year, Jerome Powell emphasised the still extremely weakened nature of the labour market and the low employment rate compared to its pre-crisis level. However, concerns gradually shifted from growth to inflation which, after being considered temporary, became more worrying. At the same time, the Fed announced its strategy of gradual normalisation: gradual reduction of its monthly asset purchases (US$120 billion in force at the time) or tapering and then, without any pre-established timetable, raising its key rate (target range for the Fed Funds rate [0%, 0.25%]).

During its Federal Open Market Committee (FOMC) monetary policy meeting in June, the Fed made its first change, which consisted of a rise in its forecasts for the Fed Funds rate, combined with an upward revision of growth and inflation. The Fed prepared the markets by saying it would spell out in November just how it would carry on its tapering program. In early November the Fed announced it would cut back its monthly purchases by US$15 billion, suggesting these would come to an end in June 2022, though the pace of tapering might be adjusted. Finally, the mid December meeting of the FOMC confirmed that monetary normalisation would go faster still, with tapering occurring at double speed and thus ending in March 2022. The reasons given for the speed-up were the breadth of the inflation and the quick progress made towards full employment, despite a few persistent disappointments in the participation rate. Jerome Powell also stated that a rate rise was possible before full employment is reached, should inflationary pressures remain concerning. Moreover, the Dot Plot [(1)] signalled a more aggressive upward path for the key rate.

In the **eurozone**, while the ECB in June also acknowledged the firming taking place and revised upward its growth and inflation forecasts, it reiterated the very accommodative and flexible orientation of its monetary policy. In December the ECB restated its growth and inflation scenario and presented its monetary strategy.

The ECB revised its inflation forecast for 2022 upward (from 1.7% to 3.2%), though much more moderately for 2023 (from 1.5% to 1.8%), and its 2024 projection of 1.8% remains lower than the 2% target. The ECB seems to be saying that inflation will be transitory, largely caused by supply issues having limited effect on core inflation (at 1.9% in 2022 and 1.7% in 2023.) The negative impact on growth (revised downward from 4.6% to 4.2% in 2022) is presumed to be moderate and brief. Inflation should temporarily erode purchasing power without derailing growth, which is revised upward to 2.9% in 2023.

In terms of strategy, the ECB stated that the removal of emergency support would be accompanied by significant yet flexible attention to the sovereigns market. The point there is to prevent, on one hand, an over-steepening of the yield curve and on the other, any risk of eurozone fragmentation [(2)] The ECB reaffirmed that before its key rate is raised, three conditions must be met: (1) Inflation has to reach the 2% target well before the ECB's forecasting horizon; (2) this target must be reached lastingly, out to the forecasting horizon; and (3) the progress achieved on core inflation must be sufficiently great that it is compatible with stabilising inflation to its medium-term target level. Respecting the most current forecasts, these conditions have not been met.

Bond markets have kept step with a few major themes: an enthusiastic first quarter buoyed by reflation trading, a gloomier second quarter gripped by the reality of the pandemic, and a second half displaying lively growth yet also distinctly more troubling inflation, fuelling a faster monetary normalisation scenario in the U.S.

In the **United States**, the two-year interest rates [(3)] kept pace with the monetary scenario. They stayed pegged to a low level (0.17% on average) and only started up, slowly, once monetary tightening was spoken of (September) and then more firmly with the acceleration of tapering late in the year, which they finished at 0.70%, for a rise on the year of 60 basis points. With reflation trading, prompted by more sustained expectations for growth and inflation, increasing vaccination rates and better-than-expected economic data, long rates rose sharply in the United States, and this rise spread into the eurozone. The U.S. 10-year rate, near 0.90% at the start of the year, started to climb and peaked at end-March near 1.75%. Bad news on the public health front then tempered the enthusiasm, and the bond markets took a more conservative position. After that, starting in September, the idea that accelerating inflation would cause monetary tightening in the U.S. to be more energetic than expected once again pushed interest rates higher. The U.S.10-Year rate ended the year at 1.50%, or a rise on the year of 60 basis points, was not impacted by the attention focused by the markets on inflation and monetary normalisation.

In the **eurozone**, in sympathy with the first phase of recovery by the U.S. rates, the German 10-year rate (the Bund) rose from nearly -0.60% at 1 January to -0.10% in May. While the Fed proved to be tolerant with respect to the tightening of financing conditions, a synonym of improvement in economic prospects, the ECB was quick to signal that this tightening was premature and unjustified. The Bund then headed downward. Whilst the German 2-year rate remained virtually level at -0.60% at end-2021 vs. -0.70% at end-2020, the Bund closed the year at -0.30%, or a rise on the year of 40 basis points. As a result of the ECB's statements about its process of purchasing sovereign securities,

(1) Clusters of dots showing the opinions of the members of the FOMC as to appropriate future federal funds rates. The median now indicates rate hikes of 25 basis points each, happening three times in 2022, three times in 2023 and twice in 2024. This is a faster and stronger tightening than projected in September, when the first hike was to happen in late 2022 or early 2023. These rises would put the target fed funds rate between 2% and 2.25% at end-2024.

(2) Purchases made under the PEPP emergency programme will therefore cease 31 March 2022, and the reinvestment period will be extended until year-end 2024, maintaining complete flexibility of purchases as between jurisdictions and asset classes. Assets purchases under the traditional APP programme will increase in 2022, from €20 billion per month to €40 billion in Q2, then decrease to €30 billion in Q3 and €20 billion in Q4, then kept up as long as necessary to augment the accommodative effects of key rates. Purchases will stop shortly before the increase in key rates.

(3) All interest rates mentioned refer to State borrowings.

the risk premiums offered by France and Italy versus the Bund widened somewhat, with those spreads widening 13 and 24 basis points, respectively, but remained narrow, at 35 and 135 basis points, respectively. Though the prospect of elections in France does not seem to have affected the spread at this point, the Italian spread has been negatively impacted since November by their coming presidential elections.

The **equity markets**, still buoyed by the accommodative financing conditions, despite the normalisations to come, and by favourable growth prospects, at least in developed countries, have risen nicely, with the average annual rise in the S&P 500, Eurostoxx 50 and CAC 40 indices up +32%, +23%, +27%, respectively. Lastly, after resisting stoutly, the euro fell against the dollar given that monetary normalisation was further along in the U.S. than in Europe. The euro gained 3.6% against the dollar on average but fell late in the year (at 1.14 in December 2021, it losts nearly 7% on the year).

1.3. CONSOLIDATED ACTIVITY AND RESULTS

Condensed consolidated income statement

▶ Year 2021

€ million	Underlying CIB [1]	Non-recurring [1]	Stated CIB	Private Banking	Corporate Center	CACIB	Underlying CIB Change 2021/2020	Underlying CIB Change 2021/2020 at constant rate
Net banking income	**5,109**	**(12)**	**5,098**	**840**	**(25)**	**5,913**	**+0.7%**	**+1.5%**
Operating expenses excluding SRF	(2,701)	-	(2,701)	(691)	(4)	(3,397)	+4.7%	+5.0%
SRF	(295)	-	(295)	(3)	-	(298)	+27.3%	+27.3%
Gross Operating Income	**2,113**	**(12)**	**2,101**	**146**	**(29)**	**2,219**	**(6.7%)**	**(5.4%)**
Cost of risk	(49)	-	(49)	(5)	-	(54)	(94.0%)	(94.2%)
Share of net income of equity-accounted entities	-	-	-	-	-	-	-	-
Gain/losses on other assets	(40)	-	(40)	1	-	(39)	nm	nm
Pre-tax income	**2,024**	**(12)**	**2,012**	**142**	**(29)**	**2,125**	**+40.3%**	**+43.4%**
Corporate income tax	(474)	4	(470)	(18)	56	(432)	-	-
Net income from discontinued or held-for-sale operations	-	-	-	7	-	7	-	-
Net income	**1,551**	**(8)**	**1,542**	**130**	**27**	**1,700**	**+26.8%**	**+29.2%**
Non-controlling interests	(2)	-	(2)	11	-	9	+56.3%	-
Net income, Group Share	**1,553**	**(8)**	**1,544**	**119**	**27**	**1,691**	**+26.8%**	**+29.2%**
Operating coefficient (excluding SRF)	**52.9%**							

[1] Restated as NBI for loan hedges for -€18 million in corporate banking and the impact of DVA, FVA liquidity cost and secured lending for +€6 million in capital markets and investment banking.

▶ Year 2020

€ million	Underlying CIB [1]	Non-recurring [1]	Stated CIB	Private Banking	Corporate Center	CACIB
Net banking income	**5,076**	**22**	**5,097**	**820**	**17**	**5,934**
Operating expenses excluding SRF	(2,579)	-	(2,579)	(683)	(3)	(3,265)
SRF	(232)	-	(232)	(3)	-	(234)
Gross Operating Income	**2,265**	**22**	**2,287**	**134**	**13**	**2,435**
Cost of risk	(824)	-	(824)	(32)	-	(856)
Share of net income of equity-accounted entities	-	-	-	-	-	-
Gain/losses on other assets	1	-	1	3	-	4
Pre-tax income	**1,443**	**22**	**1,464**	**105**	**13**	**1,583**
Corporate income tax	(220)	(6)	(226)	(11)	29	(209)
Net income from discontinued or held-for-sale operations	-	-	-	(25)	-	(25)
Net income	**1,223**	**15**	**1,238**	**69**	**42**	**1,349**
Non-controlling interests	(1)	-	(1)	10	-	8
Net income, Group Share	**1,224**	**15**	**1,240**	**59**	**42**	**1,341**
Operating coefficient (excluding SRF)	**50.8%**	**-**	**-**	**-**	**-**	**-**

[1] Restated for the impact of loan hedges, the DVA, and the FVA liquidity cost in net banking income, for +€11 million and +€11 million respectively in 2020.

After a first-half still marked by the health crisis, the third quarter saw strong recovery with demand almost liberalised but still subject to pressure on costs, extended delivery times and accelerating inflation.

The fourth quarter seems to be a turning point in market sentiment compared to the third quarter, with the global presence of the Omicron variant, which has not, however, affected an economy that is running at full capacity. French GDP grew by 7% in 2021, a 52-year high. In December 2021, inflation was at its highest level in many years, with 5% in Europe, for example, a 25-year high, amid the sentiment that inflation would be more sustainable than expected. The economy is growing, with a level of interest rates and liquidity in the system considered too low and too high for liquidity.

Against this backdrop, CIB's underlying revenues stood at €5,109 million in 2021, up +1% at current exchange rates and +2% at current exchange rates compared to 2020. The increase in revenues came from the solid performance of Corporate Banking (+9% at current exchange rates). Capital market banking revenues were down -8% at current exchange rates, mainly due to lower overall customer demand than in 2020. The maintenance of Crédit Agricole CIB's leading positions in a number of sectors (#1 Syndication France [1], #3 EMEA Syndication [2], #4 global in Green, Social and Sustainability Bonds [3], #5 worldwide on All Bonds in EUR [4] and #8 worldwide on All Corporate Bonds in EUR [5] illustrates the intensification of its focus on customer relationships initiated during the crisis.

Operating expenses amounted to -€2,996 million in 2021, up +7% at current exchange rates (+7% at constant exchange rates). This increase is mainly linked to the larger contribution to the Single Resolution Fund (SRF), which reached €295 million in 2021 compared with €232 million in 2020. Excluding the SRF, operating expenses increased +4% in line with the organic growth strategy. IT investments and staff growth are linked to the development of business line initiatives and the strengthening of support functions.

Excluding the SRF, the underlying CIB cost/income ratio came out at 52.9% in 2021, compared to 50.8% in 2020. Gross operating income thus stood at €2,113 million, compared with €2,265 million in 2020, down -7%.

CIB's cost of risk was down significantly, compared to 2020 in a crisis situation. Its net allowance stood at -€49 million in 2021 compared to -€824 million in 2020.

Net gains or losses on other assets recorded a negative impact of -€39 million in 2021 linked to the deconsolidation of the Algerian subsidiary.

CIB's underlying net income Group share amounted to €1,553 million in 2021, compared with €1,224 million in 2020, an increase of +27%.

(1) Source: Refinitiv
(2) Source: Refinitiv R17
(3) Source: Bloomberg, all currencies
(4) Source: Refinitiv N1
(5) Source: Refinitiv N8

1.4. RESULTS BY BUSINESS LINE

Financing activities

€ million	Underlying 2021[1]	Underlying 2020[1]	Change 2021/2020	Change 2021/2020 constant rate
Net banking income	2,775	2,546	+9.0%	+10.1%
Operating expenses excluding SRF	(1,094)	(1,050)	+4.1%	+4.6%
SRF	(102)	(82)	+25.3%	+25.3%
Gross Operating Income	**1,579**	**1,413**	**+11.7%**	**+13.4%**
Cost of risk	(76)	(796)	nm	-
Share of net income of equity-accounted entities	-	-	nm	-
Gain/losses on other assets	(40)	1	nm	-
Pre-tax income	**1,463**	**618**	**+136.8%**	**-**
Corporate income tax	(317)	17	nm	-
Net income	**1,146**	**635**	**+80.5%**	**-**
Non-controlling interests	(1)	(2)	(35.5%)	-
Net income, Group Share	**1,147**	**637**	**+80.1%**	**-**

[1] Restated for the impact of loan hedges in net banking income for -€18 million in 2021 and +€11 million in 2020.

The underlying revenues of Corporate Banking amounted to €2,775 million in 2021, up +9% at current exchange rates. This strong performance was recorded across all activities.

- Structured Finance activities were up sharply (+12% to €1,306 million) across all the business line's product lines, particularly in the Acquisition Finance, Real Estate and Aerospace sectors.
- Commercial Banking activities reached a very high level (€1,470 million, +7%). Debt Optimisation and Distribution activities were up despite the negative impact of early repayments observed on Covid-19 transactions in 2020. Revenues from the International Trade and Transaction Banking activity rose sharply, with strong momentum in the Supply Chain business and the continued development of the Private Equity Funds Solutions business in partnership with CACEIS. The recognised structuring expertise in the Trade Finance activity generated a significant increase in revenues compared to 2020.

The contribution of Corporate Banking to net income Group share amounted to €1,147 million in 2021, up 80% compared to 2020, mainly due to the exceptional allocation to the cost of risk recorded in 2020 due to the health crisis.

Capital markets and investment banking

€ million	Underlying 2021[1]	Underlying 2020[1]	Change 2021/2020	Change 2021/2020 constant rate
Net banking income	2,334	2,530	(7.7 %)	(7.1 %)
Operating expenses excluding SRF	(1,607)	(1,528)	+5.2%	+5.5%
SRF	(193)	(150)	+28.4%	+28.4%
Gross Operating Income	**534**	**852**	**(37.3%)**	**(36.3%)**
Cost of risk	27	(27)	nm	-
Gain/losses on other assets	-	-	nm	-
Pre-tax income	**561**	**825**	**(32.0%)**	**-**
Corporate income tax	(156)	(237)	(34.0%)	-
Net income	**404**	**588**	**(31.2%)**	**-**
Non-controlling interests	(1)	1	nm	-
Net income, Group Share	**405**	**587**	**(31.0%)**	**-**

[1] Restated for the impact of DVA, the FVA's liquidity cost and, in 2021, Secured Lending in NBI for +€6 million in 2021 and +€11 million in 2020.

Capital markets and investment banking underlying revenues amounted to €2,334 million in 2021, down -8% compared to 2020 at current exchange rates (-7% at constant exchange rates). 2020 was an exceptional year in terms of client needs, notably in terms of hedging and issuance, due to the financial crisis caused by the start of the pandemic. Market conditions normalised in 2021 compared to 2020.

- The Fixed Income business (at €1,938 million, or -13% compared to 2020) suffered from the compression of margins in an environment marked by the return to a normal level of volatility, overabundance of liquidity and a wait-and-see attitude with regard to long-term rates. On the other hand, securitisation activities performed well compared to 2020 with a recovery in economic activity and sales volumes.
- Investment banking posted good revenue growth (€396 million, +29% compared to 2020) thanks to M&A activities, which carried out several major transactions at the end of 2021. The Primary Equity Capital Markets and Structured Financial Solutions activities also increased compared to 2020. Likewise, the Equity Solutions activities were also up sharply thanks to continued business development.

Capital markets and investment banking contributed €405 million to net income Group share, down -31% compared to 2020.

Wealth Management

€ million	2021	2020	Change 2021/2020
Net banking income	840	820	+2.5%
Operating expenses excluding SRF	(691)	(683)	+1.3%
SRF	(3)	(3)	+3.4%
Gross Operating Income	**146**	**134**	**+8.8%**
Cost of risk	(5)	(32)	nm
Gain/losses on other assets	1	3	nm
Variation in the value of goodwill	-	-	nm
Pre-tax income	**142**	**105**	**+34.6%**
Corporate income tax	(18)	(11)	+58.1%
Net income from discontinued or held-for-sale operations	7	(25)	nm
Net income	**130**	**69**	**+89.8%**
Non-controlling interests	11	10	-
Net income, Group Share	**119**	**59**	**+101.0%**

In 2021, the Wealth Management business line's revenues stood at €840 million, up at current exchange rates (+3%), driven by a strong level of income on assets under management (high market levels), by the income generated by the entry of a new client of Azqore's (Societe Generale Private Banking), and finally by the increase in credit revenues to offset the decline in revenues related to asset/liability management.

Operating expenses were virtually stable in 2021 compared to 2020 (+1%), as IT investments were offset by cost-saving plans. Gross operating income rose (+9%).

The cost of risk recorded an allocation of -€5 million; it was down compared to 2020, which had been penalised by a specific case.

At the end of December 2021, outstandings amounted to €135 billion, up +5% compared to 31 December 2020 primarily due to a favourable market effect, mainly linked to the CAC 40 trend (up +29% at end-December 2021 year-on-year).

Corporate Centre

€ million	2021	2020	Change 2021/2020
Net banking income	(25)	17	nm
Operating expenses excluding SRF	(4)	(3)	nm
SRF	-	-	nm
Gross Operating Income	**(29)**	**13**	**nm**
Cost of risk	-	-	-
Gain/losses on other assets	-	-	-
Pre-tax income	**(29)**	**13**	**nm**
Corporate income tax	56	29	+92.1%
Net income	**27**	**42**	**nm**
Non-controlling interests	-	-	-
Net income, Group Share	**27**	**42**	**(35.8%)**

The "Corporate Centre" division integrates the various impacts not attributable to the other divisions.

In 2021, revenues amounted to -€25 million, and included the impact of the NSFR management operations. In 2020, net banking income included the positive impact of the elimination of the discount on Visa securities. Operating expenses amounted to -€4 million, mainly comprised of expenses related to the transfer of Crédit Agricole S.A.'s Banking Services Department's activities to those of OPCs (Operations, Premises & Country COOs) within Crédit Agricole CIB; in 2020, they mainly consisted of the donation to the Covid-19 solidarity fund. Tax income amounted to +€56 million. It is linked to the tax rate applied to the tax base and to the tax income on issues of AT1 securities.

1.5. CRÉDIT AGRICOLE CIB'S CONSOLIDATED BALANCE SHEET

Assets

€ billion	31.12.2021	31.12.2020
Cash, central banks	65.1	54.4
Financial assets at fair value through profit or loss (excluding repurchase agreements)	135.7	161
Hedging derivate instruments	1.3	1.5
Financial asset at fair value through other comprehensive income	13.4	11.3
Financial assets at amortised cost (excluding repurchase agreements)	236.5	201.2
Current and deferred tax assets	1.1	1
Repurchase agreements	117.5	125.9
Accruals, prepayments and sundry assets	26.7	34.8
Non-current assets held for sale and discontinued operations	-	0.5
Property, plant, equipment and intangible assets	1.3	1.3
Goodwill	1.1	1
Total assets	**599.7**	**593.9**

At 31 December 2021, Crédit Agricole CIB had total assets of €599.7 billion, up by €5.8 billion compared to 31 December 2020.

CASH AND BALANCES AT CENTRAL BANKS

The increase in central bank deposits is due to the very abundant liquidity of the bank's customers.

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS EXCLUDING REPURCHASE AGREEMENTS

Financial assets and liabilities at fair value through profit or loss mainly include the fair value of derivatives. These items decreased by -€25.3 and -€22.7 billion over the period. This decrease reflects the sensitivity of derivatives to long-term euro and USD rates, which rose in 2021.

FINANCIAL ASSETS AT AMORTISED COST EXCLUDING REPURCHASE AGREEMENTS

The increase in financial assets at amortised cost stems from corporate banking and securitisation activities.

REPOS (ASSETS AND LIABILITIES)

Repo transactions were affected by the reduction in net activity of Secured Funding following the overabundance of liquidity injected by the Central Banks on the markets.

ACCRUAL AND DEFERRED INCOME AND SUNDRY ASSETS AND LIABILITIES

Accruals, deferred income and sundry assets and liabilities consist mainly of security deposits on market transactions. Their changes are correlated with financial assets and liabilities at fair value through profit or loss.

Liabilities

€ billion	31.12.2021	31.12.2020
Central banks	1.2	0.8
Financial liabilities at fair value through profit or loss (excluding repurchase agreements)	168.1	190.8
Hedging derivate instruments	1.2	1.7
Financial liabilities at amortised cost (excluding repurchase agreements)	288.9	251.0
Repurchase agreements	80.4	85.4
Current and deferred tax liabilities	2.1	2.1
Accruals, deferred income and sundry liabilities	25.9	33.3
Liabilities associated with non-current assets held for sale and discontinued operations	-	0.5
Provisions and insurance company technical reserves	1.3	1.4
Subordinated debt	4.1	4.3
Equity – group share	24.8	21.2
Non-controlling interests	-	0.1
Net income (loss) for the year	1.7	1.3
Total liabilities and equity	**599.7**	**593.9**

LIABILITIES AT AMORTISED COST EXCLUDING REPURCHASE AGREEMENTS

The increase in financial liabilities at amortised cost stems from abundant liquidity inflows and the subscription to TLTRO loans.

EQUITY - GROUP SHARE

Net equity Group share (excluding profit (loss) for the period) came to €24.8 billion, up by €3.6 billion compared with 31 December 2020. This change is mainly due to the issuance of AT1 debt.

1.6. RECENT TRENDS AND OUTLOOK

2022 Outlook

Our scenario calls for a slowdown in growth, which ought to remain strong, as well as a slow moderation in inflation. Such a picture assumes that demand normalises and that supply chain bottlenecks break open. This twofold normalisation will allow inflation (particularly core inflation) to slow and the extraordinary measures of monetary support to be removed unhurriedly and without excessive impact on the bond markets.

Obviously, there is room for error in estimating inflation, which could be both higher and longer-lasting than expected. While the risk of significant growth in wages and of inflation settling in for a while at a higher level is more manifest in the United States, the fear in the eurozone arises rather from an erosion of purchasing power that might undermine growth. This, however, is not at present our primary scenario. Furthermore, at least in the advanced economies (thanks to high vaccination rates), the potential variants of the virus seem to hold back economic activity only temporarily and without causing disruption or even great interruption in people's behaviour. The uncertainly produced by the omicron variant was negative in the first quarter of 2022 but positive in the second quarter of 2022, without upsetting the major thrust of our scenario.

In the **United States**, growth should remain vigorous (3.8% in 2022) before gradually converging with its long-term trend (2.3% in 2023). It should benefit from strong consumption driven by an improved labour market, from an upward trend in wages (though limited to the sectors most affected by workforce shortages and so not triggering a wage-price spiral) and from the still untapped reservoir of savings, which is a safety net to help absorb a quick pick-up in inflation. This is a scenario favourable consumption but also to investment, since businesses remain optimistic despite disturbances in the supply-chain and the persistent, though diminishing, lack of labour.

The engines that most powerfully contributed to accelerating inflation in 2021 will continue to turn, both in the United States and elsewhere, at least during the first-half of 2022: Brisk, high inflation, particularly with the ongoing crisis in natural gas (whose price is extremely volatile but has more or less "stabilised" since October); repercussions on retail prices of higher-cost inputs (second-order effects with a maximum impact occurring about three quarters after the jolt to upstream prices); supply-chain problems (including semiconductors and containers); and bottlenecks that though less "choking" could continue for the greater part of 2022. In the second half-year 2022, assuming a stabilisation in energy prices, the base effects can be expected to be very favourable (i.e., a sharp year-on-year decline in energy prices and subsequently in the prices of goods) and the disturbances in the value chain should gradually subside.

Inflation in the **United States**, boosted by sharp trends in some specific components (such as the component of shelter known as Owner's Equivalent Rent, which does not exist in the eurozone, and more sharply rising wages leading to expectations of "third order" effects), is thought to remain very high in the first quarter, peaking near 7.5% year-on-year and yielding core inflation approaching 6.5%. Total inflation should then turn down, towards 3% for the 12 months ending 31 December 2022, bringing the yearly average to 5.4% as against 4.7% in 2021.

In the **Eurozone**, the strength of the recovery has not yet filled the negative production gap and the exogenous inflationary shock does not appear able to alter the scenario of decelerating, if robust, growth, which should be 4.3% in 2022 and 2.5% in 2023. Aggregate demand, while running up against weak supply (logistical blockages, strained supply chains, and shortages of inputs and labour), also remains weak its rebound. It is just this weakness that leads one to expect restricted wage increases and temporary, if more persistent, higher inflation Just as in the U.S., a higher than expected rise in inflation is plainly the primary risk. This would impair growth through the erosion of purchasing power, rather than through any wage-price spiral. The possibility of a wage-price spiral that is of great concern to investors at the moment seems exaggerated.

Apart from the upward pressures already noted, inflation in the eurozone will be volatile but greatly influenced by technical factors, such as the weighting of components in the price index, the end of the VAT effect in Germany, and country-by-country pricing changes in energy contracts. Total and core inflation rates should settle on average, respectively, at 4.1% (2.4% in December for the year) and 2.4% (1.9% in December).

In **France**, consumer spending should benefit from higher purchasing power despite inflationary pressures. A surge in new jobs and lower unemployment rates should create confidence among households, which also enjoy surplus savings from the pandemic estimated at €150 billion. Investment will benefit from the recovery plan announced in the autumn of 2020 and the additional support in the France 2030 plan. Growth is expected to be 3.9% in 2022. As for inflation, high as it was at the start of the year, it should fall below 2% by year-end and average 2.6% in 2022.

Our scenario assumes high varied efforts at monetary normalisation, which is still preferred to monetary tightening. Depending on the strength of the inflation experienced or feared, and on the anticipated resistance of growth in their respective territories, the central banks are adopting very diverse patterns as they withdraw their various accommodations, which were as extraordinary as they were generous.

In the **United States**, the officials of the Federal Reserve consider inflation a major risk but in mid-January emphasized recovery in business and employment, judging the risk of setting up a wage-price spiral to be low. According to the Fed, inflation can be expected to start slowing down in the second half. The Fed began its tapering process, and the markets are now counting on four rises in the fed funds rate in 2022, including 50 basis points at the March meeting. We are counting on a target rate of 1% at end-2022.

In the **Eurozone**, in contrast with the forward-moving Fed, the ECB is in no hurry and promises to remain accommodating and flexible for some time to come, as shown by the thrust of its monetary policy announced in December.

Monetary normalisation would not be accompanied by heavy strain on bonds. 2022 is expected to be divided into two sequences. After a first-half still stamped with both high growth and high inflation, providing the right moment for an upward move in interest rates, would come the motif of deceleration to bring them down.

In the **United States**, inflation figures have not as yet brought any over-reaction about interest rates. The 10-year Treasury note rate should thus rise before starting to pull back and settling at 1.35% at end-2022.

In the **Eurozone**, the way the ECB and the markets assess the risk of inflation and, just as much, the credibility of the ECB's diagnosis in the eyes of the markets will be critical. The rise in inflation and in its volatility should increase time premiums during the first half of 2022. In sympathy with the ebbing of growth and price pressures, rates should follow a downward slope in the second half. The German 10-year rate should return to zero (or even slightly positive) before falling back to -0.25% at end-2022. As the outlook fades for new recovery measures from the ECB, the messaging of the ECB will need to be as subtle as it is convincing to prevent a widening of spreads on peripherals. These could, however, widen slightly for a time. The risk premiums offered by France and Italy should be, respectively, 25 and 130 basis points above the Bund at end-2022.

The sections on the outlook have been updated subsequent to the closing of the accounts on 8 February 2022 to reflect recent developments related to the situation in Russia and Ukraine.

At the end of February 2022, tensions between Russia and Ukraine led to an armed conflict. The scale and duration of this war, as well as its economic and financial impacts, are obviously difficult to predict. In addition to its immediate financial consequences (risk aversion, falling equity markets, falling rates on the safest bonds including the United States and Germany, rising volatility), the Russian-Ukrainian conflict has resulted in a significant rise in commodity prices for the production of which the belligerents are major players [(1)]. In a context of very high uncertainty and faltering of confidence, the downturn effect on activity and the increase in already significant inflationary pressures will complicate the task of central banks, especially that of the ECB.

Crédit Agricole CIB outlook for 2022

Crédit Agricole CIB will continue to strive to be its clients' preferred partner, committed over the long term and facilitating their business with a global approach across Crédit Agricole Group.

In **Capital Markets and Investment Banking**, Crédit Agricole CIB will continue to consolidate its client relationships formed during the crisis as well as the trend towards market share gains by serving new Corporate clients in Europe, particularly in the healthcare, technology and renewable energy sectors.

A gradual recovery in volatility, the rise in interest rates and a gradual reduction in liquidity supply are expected in 2022, all of which, in theory, carry on client hedging needs that should benefit Fixed Income activities. Primary bond and securitisation activities should continue to perform given clients' refinancing needs.

Crédit Agricole CIB also intends to continue to develop its Equity Solutions business for the Group in Europe and Asia.

In **Corporate Banking** activities, Crédit Agricole CIB aims to continue to grow its revenues across all the various structured finance segments, in line with 2021. Crédit Agricole CIB also anticipates steady growth in its International Trade activities, which should remain strong, with Trade and Commodity activities expected to benefit from dynamic global trade and higher commodity prices. The Debt Optimisation and Distribution activities will continue their development, particularly in the Corporate Acquisitions business line.

At the same time, Crédit Agricole CIB wants to strengthen its ability to advise its clients on compliance with ESG regulations (European Union taxonomy, ESG disclosures and ratings), to support its Midcap clients on ESG products and, finally, to develop in the hydrogen sector.

Medium-Term Plan: 2021 results meet the targets published for the 2022 MTP

In line with the Group's project and the Crédit Agricole Group's 2022 Medium-Term Plan published on 6 June 2019, Crédit Agricole CIB presented on 11 december 2019 the details of its targets for 2022.

Its resilient, profitable and conservative business model is based on:

- A client-focused organisation, with an automated and systematic measure of the profitability,
- High value-added financing activities generating a strong RONE (corresponding to an RWA allocation of 9.5%),
- Market activities which complement the financing activities for its clients,
- A low risk profile, supported by an expert and conservative approach on its exposures.

Crédit Agricole CIB's performance indicators are solid and demonstrate the relevance of its model: an income target exceeded, the maintenance of a low COEX and a low cost of risk level in 2021 made it possible to stay above the profitability target.

Indicators published during Crédit Agricole CIB Investors workshop on 11 december 2019	2021 [1]	2022 MTP targets	Comments
Underlying CIB Net Banking Income	€5.1 billion	€~5 billion	✓
CIB Expenses (excluding SRF)	€2.8 billion	€~2.8 billion	✓
CIB Cost to Income ratio (excluding SRF)	53.90%	< 55%	✓
Cost of Risk in amount	€1.013 billion over 3 years	€1.1 billion over 4 years (2019-2022)	✓
Financing cost of risk/ outstanding ratio	6 bp	[20; 25bp]	✓
RWA	€122.9 billion	€123 billion	✓
CIB RoNE (@9.5%)	12.4%	> 10%	✓

[1] For the CIB external communication scope, namely CIB (excluding Private Banking) TOTAL (Crédit Agricole CIB & CASA).

In 2021, Crédit Agricole CIB achived its commitments by rolling out the various pillars of its strategy.

◆ A human-centric project aiming at building the future by onboarding the new generation of experts, at empowering the employees and at significantly communicating the values of the Group

Crédit Agricole CIB's Human Project places its employees at the heart of its strategy to make them the key players in its performance and transformation. By developing an empowering managerial culture and by offering a working environment that promotes collaboration, trust and taking initiative, the Bank wants to strengthen each person's empowerment and commitment to clients and the society. It is with this objective in mind that Crédit Agricole CIB has been rolling out its empowerment approach since 2020 and, since 2021, its "NOW - New ways Of Working" project.

(1) Oil, gas, cereals in the first place but also coal, platinum, aluminum, copper, nickel, silver, gold, palladium.

Once again this year, the pandemic mobilised the Human Resources and Occupational Health Department teams to provide specific measures to management and employees during the health crisis. The specific measures deployed enabled both the protection of the teams and the business continuity through enhanced social dialogue and special attention given to keeping the link with employees.

In 2021, initiatives that encourage employee participation were strengthened in order to reflect the numerous transformational challenges linked to the development of the company and organisational methods.

Crédit Agricole CIB and Indosuez Wealth Management participated, as they do every year, in the Crédit Agricole Group's Engagement and Recommendation Index (ERI) survey, sent to all their employees worldwide, from 4 October to 12 November 2021.

At Crédit Agricole CIB, this initiative fits in with commitment surveys continued since 2015 and allows to assess the positive development of results. In 2021, Crédit Agricole CIB achieved its best ERI score with 79% favourable responses, i.e. a score identical to 2020 and its highest participation rate with a 73% response rate, i.e. an increase of 3 points compared to 2020. The results of this survey reveal that strong progress has been made on topics related to strategy, confidence in the decisions taken by management and organisational efficiency. They also demonstrate the strong commitment of employees and the collective spirit that have driven the teams since the start of the health crisis. As part of the Human Project, this year the Group rolled out a new ERI indicator, the Accountability Index, for which Crédit Agricole CIB received 75% favourable responses. This new index will allow us to measure, over time, perceptions of autonomy, empowerment and the ability to propose new ideas to meet clients' needs.

◆ Continuously strengthening the expertise of the business lines - the core of the resilience of the model

Once again this year, Crédit Agricole CIB demonstrated the relevance of its business model, drawing on the complementarity and cooperation of its Corporate Banking and Markets activities, as a bank serving its clients and the economy as a whole. The excellent commercial performance of all the Corporate Banking businesses helped offset the decline recorded in market activities and stemming from wait-and-see behaviour on certain fixed income transactions, particularly at the end of the year.

◆ A data project, the foundation of the digital strategy

The Data project allowed to meet several goals. First of all, the systematic incorporation of Data challenges in the different projects to benefit clients and daily efficiency. The practical implementation of projects to be more efficient in the manner to measure risks, to advise clients. As an example, we can mention the RADaR project which allows to have a global and multidimensional vision of risks. Finally, skills improvement of the actors on this subject now allows to enter in a new steering phase of the strategy and to launch a strategy of digital transformation.

◆ Consolidating its role as a leader in green and sustainable finance, extending its offering of sustainable solutions to all business lines

Crédit Agricole CIB offers its customers a range of specific services to support them in their energy transition.

With its own dedicated Sustainable Banking team, Crédit Agricole CIB is in line with its objective of remaining in the world Top 5 in green and sustainable finance. It keeps a leading position being #4 global in Green, Social and Sustainability Bonds *(source : Monde, all currencies in 2021 – Bloomberg)* and remains #2 in Green, Social and Sustainability Bonds - EUR in 2021 *(source : Bloomberg).*

In 2021 Crédit Agricole CIB was involved in several transactions in green and sustainable finance. The two following transactions are good examples:

- The European Commission's Green Bond NextGenerationEU: Crédit Agricole CIB acted as co-lead manager of this first historic bond issue. This is the world's largest green bond issue, which supports the European Union's determination to achieve climate neutrality by 2050 (€12 billion, 15-year maturity).
- Fleury Michon's sustainable securitisation programme: Crédit Agricole supported Fleury Michon in setting up its securitisation programme, the financing cost of which is indexed to its non-financial performance (with indicators on workplace safety, the energy transition and health/nutrition). As a result of this transaction, it became the first agri-food company in Europe to make the financing margin of a securitisation agreement conditional on the achievement of multi-year CSR targets.

1.7. ALTERNATIVE PERFORMANCE MEASURES (APM) - ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION

Alternative Performance Measures	Definition	Reason for use
Cost/Income ratio	Ratio indicating the share of NBI (Net Banking Income) used to cover operating expenses (business operating expenses). It is calculated by dividing operating expenses by NBI.	Measure of operational efficiency in the banking sector.
Underlying Net Banking Income (Underlying CIB)	Net Banking Income excluding exceptional items. Details of exceptional items are provided in the table hereafter.	Measure of Crédit Agricole CIB's NBI excluding items that do not reflect the underlying operating performance or non-recurring items of a significant amount.
Underlying Net income, Group Share	Underlying Net income, Group Share excluding exceptional items. Details of exceptional items are provided in the table hereafter.	Measure of Crédit Agrcicole CIB's net icome excluding items that do not reflect the underlying operating performance or non-recurring items of a significant amount.
Assets under management	All assets under management by Indosuez Wealth Management.	Measures operating activity not reflected in consolidated financial statements and corresponding to portfolio assets marketed by Indosuez Wealth Management, whether managed, advised or delegated to an external manager.

Key Exceptional Elements

€ million	2021	2020
Net Banking Income	**-**	**-**
Loan hedges	(18)	11
DVA, FVA component of issuer spread and secured lending	6	11
Total pre-tax exceptional items	**(12)**	**22**
Total exceptional items after tax	**(8)**	**15**

2. INFORMATION ON THE FINANCIAL STATEMENTS OF CRÉDIT AGRICOLE CIB (S.A.)

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

Assets

€ billion	31.12.2021	31.12.2020
Interbank and similar transactions	188.3	154.8
Customer transactions	191.5	189.5
Securities transactions	40.2	34.4
Accruals, prepayments and sundry assets	136.4	180.9
Non-current assets	5.9	6.8
Total assets	**562.3**	**566.4**

Liabilities

€ billion	31.12.2021	31.12.2020
Interbank and similar transactions	116.8	85.6
Customer accounts	198.0	207.3
Debt securities in issue	37.4	31.3
Accruals, deferred income and sundry liabilities	178.9	214.3
Impairment and subordinated debt	15.4	12.5
Fund for General Banking Risks	-	-
Shareholders' equity (excl. FGBR)	15.8	15.4
Total liabilities and shareholders' equity	**562.3**	**566.4**

At 31 December 2021, Crédit Agricole CIB (S.A.) had total assets of €562.3 billion, down €4.1 billion compared to 31 December 2020.

Money market and interbank items

Interbank assets climbed +€33.5 billion (+21.7%), with an increase of +€8.9 billion in central bank deposits, +€1.7 billion in treasury bills and +€22.9 billion in amounts due from credit institutions (o/w +€21.2 billion in term and demand accounts and loans and +€1.7 billion in reverse repurchase agreements).

Interbank liabilities rose by €31.2 billion (+36.5%), with an increase of +€0.2 billion in amounts due to central banks and +€31 billion in amounts due to credit institutions (i.e. +€17.1 billion in term and demand accounts and deposits and +€13.9 billion in repurchase agreements).

Client transactions

Assets and liabilities on transactions with clients increased +€2.1 billion (+1.1%) and fell -€9.4 billion (-4.5%), respectively.

In terms of assets, this increase can be attributed to the following changes: +€2.5 billion in trade receivables, +€1.2 billion in current accounts with overdrafts and other customer loans, which rose +€6.8 billion. This increase was offset by the significant drop in repurchase agreements (-€8.5 billion).

In terms of liabilities, repos fell -€12.6 billion (-16.7%). Conversely, other amounts due to clients rose +€5.2 billion (+6.7%).

Securities and debt securities

Securities transactions under assets were up +€5.8 billion (+16.7%). This increase was attributable to bonds and other fixed-income securities +€4.6 billion, and was confirmed in trading and investment portfolios.

Debt securities were up +€6.2 billion (+19.7%), primarily due to negotiable debt securities.

Accrual and deferred income and miscellaneous assets and liabilities

This item principally records the fair value of derivative instruments. As a reminder, these are covered in "Financial assets and liabilities at fair value" in the consolidated financial statements.

The decrease in "Accruals, prepayments and sundry assets and liabilities" was -€44.5 billion on the assets side (-24.6%) and -€35.3 billion on the liabilities side (-16.5%).

Other assets fell -€13.9 billion and other liabilities -€7.8 billion. These aggregates mainly consist of premiums on options and miscellaneous accounts payable and receivable.

Accruals and prepayments, mainly representing the fair value of derivatives, also declined by -€30.6 billion on the assets side and -€27.6 billion on the liabilities side.

Provisions and subordinated debt

Provisions were down slightly by -€0.2 billion and subordinated debt rose +€3.1 billion (+34.8%). This increase is mainly due to the back of EUR-denominated perpetual subordinated debt (+€3 billion).

Fixed assets

Fixed assets can be broken down into €5.6 billion in equity investments and other long-term investment securities and €0.3 billion in property, plant and equipment and intangible assets.

Fixed assets were down -€0.9 billion to €5.9 billion in 2021 compared with €6.8 billion in 2020.

This decrease is attributable to investments in subsidiaries and affiliates.

Accounts payable by due date

Under Article L. 441-6-1 of the French Commercial Code, companies whose parent company financial statements are certified by a Statutory Auditor are required to disclose in their management report details of their client and supplier payment terms by due date, in accordance with the terms and conditions set out in Article D.441-6-I of the French Commercial Code, as amended by Decree No. 2021-211 of 24 February 2021. This information does not include banking and related transactions as we consider that they do not fall within the scope of the information to be provided.

	31.12.2021				31.12.2020			
€ thousands	≤ 30 days	> 30 days ≤ 60 days	> 60 days	Total	≤ 30 days	> 30 days ≤ 60 days	> 60 days	Total
Accounts payable	**4,137**	**-**	**-**	**4,137**	**3,014**	**-**	**-**	**3,014**

The median payment period for accounts payable at Crédit Agricole CIB is 12 days. Crédit Agricole CIB had outstanding amounts payable of €4.1 million at 31 December 2021 versus €3 million at 31 December 2020.

Information on payment delays by Crédit Agricole CIB suppliers

▶ Invoices received subject to payment delays by Crédit Agricole CIB Paris suppliers

	31.12.2021					
€ thousands	0 day	≥ 1 day ≤30 days	> 30 days ≤60 days	> 60 days ≤90 days	>90 days	Total (1 day and more)
Number of invoices concerned	29,507	956	482	217	607	2,262
Aggregate amount of the invoices concerned excl. VAT	884,718	21,073	9,241	3,284	2,913	36,511
Percentage of the total amount of invoices received during the year, excl. VAT	96.04%	2.29%	1.00%	0.36%	0.32%	-

▶ Invoices received and not paid at the closing date whose payment term has expired

	31.12.2021					
€ thousands	0 day	≥ 1 day ≤30 days	> 30 days ≤60 days	> 60 days ≤90 days	>90 days	Total (1 day and more)
Number of invoices concerned	-	-	-	-	-	-
Aggregate amount of the invoices concerned excl. VAT	-	-	-	-	-	-
Percentage of the total amount of invoices received during the year, excl. VAT	-	-	-	-	-	-

Information on inactive 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 the Eckert Act which came into force on 1 January 2016, every credit institution is required to publish annual information on inactive bank accounts. At 31 December 2021, Crédit Agricole CIB S.A. recorded 130 inactive bank accounts, for an estimated total amount of €16,926,288.70.

At the end of the 2021 financial year, a total of €8,222.91 related to a single inactive bank account held with Crédit Agricole CIB was transferred to *Caisse des Dépôts et Consignations.*

Client settlement terms

Compliance with the contractual terms of client payments is monitored as part of the bank's risk management processes. The outstanding maturities of client receivables are provided in Note 3.1 to the parent company financial statements.

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

€ million	31.12.2021	31.12.2020
Net Banking Income	4,328	4,815
Operating expenses[1]	(2,806)	(2,680)
Gross operating income	**1,522**	**2,135**
Cost of risk	(82)	(892)
Net operating income	**1,440**	**1,243**
Net gain/(loss) on fixed assets	51	(10)
Pre-tax income	**1,491**	**1,233**
Corporate income tax	(132)	(78)
Net allocation to FGBR and regulated provisions	-	-
Net income	**1,359**	**1,155**

[1] *Including depreciation and impairment of property, plant and equipment and intangible assets.*

Net banking income for the 2021 financial year stood at +€4.3 billion, down -€487 million from 31 December 2020.

General operating expenses, excluding amortisation and provisions, increased €146 million (+5.3%).

In view of these factors, gross operating income fell -€613 million to €1.5 billion at 31 December 2021.

Cost of risk was -€82 million in 2021, compared to -€892 million in 2020.

Net income on fixed assets came to +€51 million in 2021. The main items were the capital gain of €142 million generated from the universal transfer of *Mérisma* assets, the impairment of Doumer Finance shares in the amount of -€141.4 million and Crédit Agricole CIB Algérie SPA shares in the amount of -€33.8 million. The disposal of Crédit Agricole CIB Miami generated an impact of +€25 million.

Directly 99.9% owned by Crédit Agricole S.A. (CASA), Crédit Agricole CIB (CACIB) is part of the tax consolidation group constituted by CASA and is head of the Crédit Agricole CIB tax sub-group constituted with the subsidiaries that are members of the tax consolidation group.

The income tax expense for 2021 came to -€132 million.

Crédit Agricole CIB (S.A.) recorded net income of +€1.36 billion in 2021 versus +€1.16 billion in 2020.

2.3. FIVE-YEAR FINANCIAL SUMMARY

Items	2017		2018		2019		2020		2021	
Share capital at year-end (€)	EUR	7,851,636,342	EUR	7,851,636,342	EUR	7,851,636,342	EUR	7,851,636,342	EUR	7,851,636,342
Number of shares issued	-	290,801,346	-	290,801,346	-	290,801,346	-	290,801,346	-	290,801,346
Number of shares held by CACIB	-	-	-	-	-	-	-	-	-	-
Number of shares outstanding excluding treasury shares	-	-	-	-	-	-	-	-	-	-
Total results of realized transactions (in € million)										
Gross revenue (excl. Tax)	EUR	9,470	EUR	11,138	EUR	12,554	EUR	9,435	EUR	8,878
Profit before tax, amortisation and reserves	EUR	3,017	EUR	1,004	EUR	1,895	EUR	1,339	EUR	1,594
Corporate income tax	EUR	(514)	EUR	(415)	EUR	(433)	EUR	(78)	EUR	(132)
Profit after tax, amortisation and reserves	EUR	2,613	EUR	1,272	EUR	1,329	EUR	1,155	EUR	1,359
Amount of dividends paid	EUR	1,236	EUR	489	EUR	445	EUR	1,023	EUR	553
Earnings per share (€)										
Profit before tax, amortisation and reserves	-	[1] 10,38	-	[2] 2.72	-	[3] 5.66	-	[4] 4.03	-	[5] 4.49
Profit after tax, amortisation and reserves	-	[1] 8.98	-	[2] 4.37	-	[3] 4.57	-	[4] 3.97	-	[5] 4.67
Dividend per share	EUR	4.25	EUR	1.68	EUR	1.53	EUR	3.52	EUR	1.90
Staff										
Number of employees	-	[6] 6,678	-	[6] 7,371	-	[6] 7,410	-	[6] 7,555	-	[6] 7,786
Wages and salaries paid during the financial year (€ million)	EUR	1,014	EUR	1,037	EUR	1,081	EUR	1,105	EUR	1,146
Employee benefits and social contribution (in € million)	EUR	323	EUR	347	EUR	338	EUR	355	EUR	367
Payroll taxes (in € million)	EUR	39	EUR	42	EUR	41	EUR	39	EUR	43

[1] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2017, or 290,801,346 shares.*

[2] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2018, or 290,801,346 shares.*

[3] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2019, or 290,801,346 shares.*

[4] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2020, or 290,801,346 shares.*

[5] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2021, or 290,801,346 shares.*

[6] *Average headcount.*

2.4. RECENT CHANGES IN SHARE CAPITAL

The table below shows changes in Crédit Agricole CIB's share capital over the last five years.

Date and type of transaction	Amount of share capital (€)	Number of shares
Share capital at 31.12.2017	7,851,636,342	290,801,346
Share capital at 31.12.2018	7,851,636,342	290,801,346
Share capital at 31.12.2019	7,851,636,342	290,801,346
Share capital at 31.12.2020	7,851,636,342	290,801,346
Share capital at 31.12.2021	**7,851,636,342**	**290,801,346**

2.5. INFORMATION ON CORPORATE OFFICERS

Disclosures relating to the compensation, terms of office and functions of corporate officers pursuant to Articles L.225-37-4, L.22-10-10 and L.22-10-11 of the French Commercial Code are provided in the chapter 3 “Corporate Governance” of the present Universal Registration Document. Concerning the trading in the Company’s shares by Corporate Officers, a paragraph about the information that may be required under the terms of Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the General Regulation of the French Financial Markets Authority (AMF) appears in the chapter 3 “Corporate Governance”, sections 1.3.3 and 1.3.4, of the present Universal Registration Document.

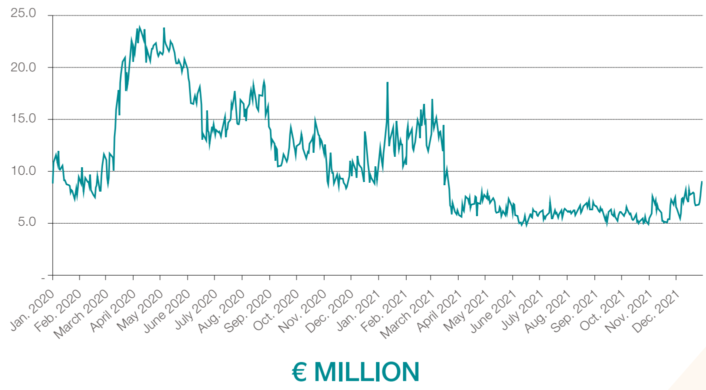
2.6. INFORMATION RELATING TO ARTICLE L. 225-102-1 OF THE FRENCH COMMERCIAL CODE REGARDING THE GROUP’S SOCIAL AND ENVIRONMENTAL IMPACT

Economic, social and environmental information of Crédit Agricole CIB group are presented in Chapter 2 of the present Universal Registration Document.

RISKS AND PILLAR 3

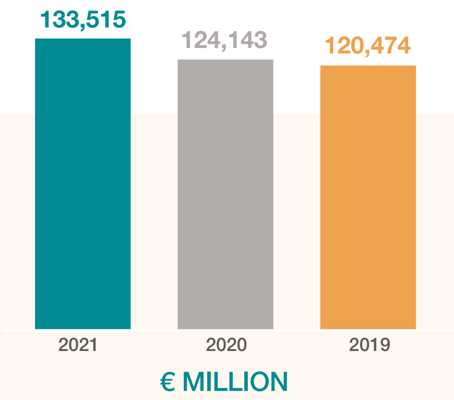
5 CONTENTS

2020-2021 REGULATORY VAR OF CRÉDIT AGRICOLE CIB

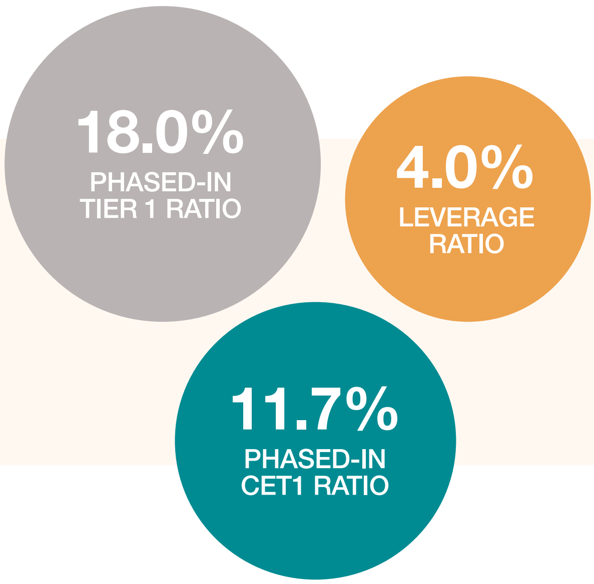


CHANGES IN RISK-WEIGHTED ASSETS

Fully loaded Basel III



REGULATORY RATIO IN 2021



The main risks are defined in the Glossary in Chapter 9 of the present Universal Registration Document.

1. RISK FACTORS

This section sets out the main types of risks to which Crédit Agricole CIB is exposed, as well as certain risks related to holding Crédit Agricole CIB securities. Other parts of this chapter discuss Crédit Agricole CIB 's risk appetite and the set-ups put in place to manage and control these risks. The information on the management of risks is presented in accordance with IFRS 7, relating to disclosures on financial instruments.

Identification of risks

Crédit Agricole CIB identifies its risks using a comprehensive, ex-ante and ongoing approach, then a selective ex-post approach, via a list of "major risks" that is updated annually. First, all risks are identified and their materiality assessed on an ex ante basis, and on an ongoing basis, whenever Crédit Agricole CIB develops a new business activity, develops a risk strategy or plans a new transaction. Second, Crédit Agricole CIB categorises the risks identified using a uniform classification for the entire Crédit Agricole Group, then selects those considered to be "major" risks. The assessment is realised based on two joint criteria: on the one hand the assessment of the negative impact magnitude, and on the other hand, the assessment of the risk occurrence probability. Crédit Agricole CIB Risk Department, which is independent from the business lines, makes a proposal to the Board of Directors based on expert judgement, and taking into account both the impacts and occurrence probability. The Board of Directors approves the list of major risks for the year, at the same time as the risk appetite. The risk factors listed below are taken from this list of "major risks".

The main risks specific to Crédit Agricole CIB's activity are presented below and are expressed through risk-weighted assets or other indicators when risk-weighted assets are not appropriate.

1. CREDIT RISK

Crédit Agricole CIB's Corporate and Investment Bank largely focuses on debt-related business: credit risk is therefore central to its activities and represents the greatest risk.

◆ A – Crédit Agricole CIB is exposed to credit risk on its Corporate & financial institutions counterparties

Crédit Agricole CIB is exposed to credit risk in relation to its counterparties such as corporates and financial institutions. Credit risk impacts Crédit Agricole CIB's consolidated financial statements when counterparties are unable to honour their obligations and when the carrying amount of these obligations in the bank's records is positive. Counterparties may be banks, financial institutions, industrial or commercial enterprises, governments and their various entities, or investment funds. The rate of counterparty defaults may increase compared to recent historically low levels; Crédit Agricole CIB may be required to record significant charges and provisions for possible bad and doubtful loans, affecting its profitability. These provisions are accounted for in its profit and loss account in the "cost of risk" accounting item. Crédit Agricole CIB provisions' level is established depending on loss historic data, volumes, types and maturities of loans granted, economic trend and other factors related to the loan recovery perspectives. The cost of risk includes both charges on defaulted loans (ECL stage 3 under IFRS9), but also charges in case of significant deterioration in a counterparty's risk profile (ECL stage 1 and stage 2 under IFRS9).

In relation to corporates, the credit quality of borrowers could experience a deterioration, primarily from increased economic uncertainty and, in certain sectors, the risks associated with trade policies of major economic powers. The risks could be exacerbated by the recent practice by which lending institutions have reduced the level of covenant protection in their loan documentation, making it more difficult for lenders to intervene at an early stage to protect assets and limit the risk of non-payment. On the sectors which appear to be particularly vulnerable to the sanitary crisis, the counterparties risk profile continued to deteriorate in 2021. This is the case for shipping (notably ports, bulkers, cruise, tankers), aviation (in particular airline companies), real estate (hotels), oil & gas (Oil services, offshore), and automotive (rental companies).

Crédit Agricole CIB has exposure to many counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose Crédit Agricole CIB to credit risk in the event of default or financial distress. In addition, Crédit Agricole CIB's credit risk may be exacerbated when the collateral held by Crédit Agricole CIB cannot be disposed of or is liquidated at prices not sufficient to recover the full amount of Crédit Agricole CIB's exposure under the loans or derivatives in default. The exit or termination of public support schemes, increased market volatility, expectations of inflation, rising interest rates and government debt levels, could generate further deterioration in the risk profile of client banks and insurance companies.

Crédit Agricole CIB seeks to reduce its exposure to credit risk by using risk mitigation techniques such as collateralisation, obtaining guarantees, entering into credit derivatives and entering into netting contracts. Only a portion of Crédit Agricole CIB's overall credit risk is covered by these techniques.

The average portfolio quality remains good with a proportion of investment grade ratings of 86% at 31 December 2021.

As at 31 December 2021, the amounts of risk-weighted assets (RWA) related to credit risks, except those related to securitisation (covered in §D) and except sovereign assets (covered in §E), was €71.9 billion, equal to 54% of total risk-weighted assets.

◆ B – Any significant sector or individual concentration could impact Crédit Agricole CIB financial situation

Like Crédit Agricole CIB's competitors, the Corporate and Investment Bank's clients are often large multinationals or major financial institutions which by their very nature, in addition to individual creditworthiness issues, generate a concentration risk, which is normal for a corporate and investment bank. The refocusing strategy applied since the financial crisis has slightly reduced the number of counterparties and geographical sites, and has therefore resulted in a relative increase in the portfolio concentration. Any downgrade of the rating, or any default or insolvency of such a large counterparty could have a negative impact on Crédit Agricole CIB's business activities, results and financial position.

However, the Bank is still active in a large number of countries and economic sectors, thus benefiting from the positive effect of sectoral and geographical diversification. Nevertheless, Crédit Agricole CIB is subject to the risk that certain events may have a significant impact on a particular industrial sector to which it is significantly exposed. For example, energy sector borrowers are subject to risks relating to volatility in energy prices.

As at 31 December 2021, the four major economic sectors of Crédit Agricole CIB were those of Banks accounting for €85 billion or 20.3% of total commitments net of export credit guarantees, Oil & Gas for €37 billion (8.8%), Other non banking financial activities for €27 billion (6.3%) and Real estate for €19 billion (4.5%).

C – Crédit Agricole CIB is subject to counterparty risk on market transactions

Counterparty risk on market transactions is the manifestation of credit risk in connection with market transactions, investments and/or settlements. While Crédit Agricole CIB often obtains collateral or uses setoff rights to address these risks, these may not be sufficient to protect it fully, and Crédit Agricole CIB may suffer significant losses as a result of defaults by major counterparties.

The amount of this risk varies over time with changes in market parameters affecting the potential future value of the transactions concerned.

Risk-weighted assets specific to this risk amounted to €18.2 billion as at 31 December 2021.

D – Crédit Agricole CIB is exposed to credit risk related to securitisation transactions

Crédit Agricole CIB is exposed to credit risk in connection with its securitisation transactions on behalf of clients. Crédit Agricole CIB (through the Global Markets Division) acts as originator and sponsor for its Corporate or Financial institutions clients.

The vast majority of the product line's exposures come from the securitization conduit business, in which Crédit Agricole CIB is one of the leading global players. The conduits are designed to finance Crédit Agricole CIB's large clients, primarily in Europe, by issuing Asset-Backed Commercial Paper (ABCP) to external investors, primarily in the United States. Crédit Agricole CIB fully supports these multi-seller issuance programs through liquidity lines, thus fully guaranteeing liquidity and credit risks. Crédit Agricole CIB notably sponsors the LMA conduit in Europe and the Atlantic and Lafayette conduits in the US. Crédit Agricole CIB favors traditional asset classes, notably trade receivables and auto loans/leases, over complex and atypical ones.

The credit risk arising from securitization transactions is composed of two major risk families. On the one hand, portfolio risk corresponds to credit risk exposure related to assets (default risk of debtors, concentration risk). Secondly, seller/servicer risk relates to the customers financed, and comprises commingling risk (risk that collections cannot be transferred to the securitization structure in the event of the seller/servicer's bankruptcy), dilution risk (risk that the seller grants the assigned debtor a reduction in the value of the securitized receivables) and set-off risk (risk that the securitized receivables are offset by claims from the obligors). Crédit Agricole CIB has put in place mechanisms to protect against these risks (e.g., insurance of the assets); however, the materialization of these risks could result in credit losses for Crédit Agricole CIB.

Risk-weighted assets related to this risk amounted to €9.9 billion as at 31 December 2021.

E – Crédit Agricole CIB is exposed to country and sovereign risks

As a result of its exposure on numerous countries on all continents, Crédit Agricole CIB is exposed to country risk when the deterioration in the environment or the economic, financial, political or social situation of a country affects the Bank's activities and the quality of the counterparties in that country. Crédit Agricole CIB monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. In addition, Crédit Agricole CIB has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.

Crédit Agricole CIB's exposures are distributed between the following geographic regions: France, other Western European countries, and North America. On all sectors, Crédit Agricole CIB exposures' amount is respectively as at 31 December 2021 of €120 billion, €120 billion and €70 billion representing respectively 28%, 29% and 17% of the total exposures. Besides, commercial commitments in the countries which are rated as non investment grade on the internal rating scale amounted to 14% of total exposures.

Crédit Agricole CIB is also exposed to sovereign risk under its various commitments to sovereign counterparties (in the event that they default or are unable to meet their contractual obligations). The rise in sovereign debt due to the sanitary crisis increases this risk. Risk-weighted assets specific to this risk amounted to €2.3 billion as at 31 December 2021.

At the end of February 2022, the tensions between Russia and Ukraine led to a military conflict. The magnitude and duration of this war, as much as the financial and economic impacts, both local and global are hard to predict. Crédit Agricole CIB may be subject to losses due to its direct and indirect exposure to Russia. In Russia, the exposures booked in Crédit Agricole CIB AO subsidiary represent €540 million at 31 December 2021. All of the credit portfolio is locally refinanced. The capital of the subsidiary amount to approximately €150 million, of which €80 million in equity and €70 million in subordinated debt. The bulk of assets consists in loans to local corporates, mainly in rubles, one-third of which benefits from the parent company's guarantee and of a sovereign exposure corresponding to the excess liquidity of the subsidiary deposited short term at the Central Bank of Russia in the context of its regulatory liquidity and ratio requirements. The exposures booked outside of Crédit Agricole CIB AO, so-called off-shore exposures, can be split into on-balance sheet and off-balance sheet. The on-balance share of off-shore exposures amounts to €2.9 billion as of 31 December 2021. This portfolio mainly pertains to fifteen large Russian corporates, notably producers and exporters of commodities, leaders on the market in key economic sectors of their country. Its quality is strong: 96% of the portfolio is rated investment grade in the internal rating scale as of end December 2021. It is mainly corporate finance for 62%, trade finance for 25% and the rest corresponds to asset financing (aerospace, project, shipping). The off-balance sheet share of off-shore exposures amounts to around €1.5 billion as of 31 December 2021. It is mainly corresponding to short-term trade finance activities (in particular documentary credit and financial guarantees), and, to a lesser extent, to confirmed un-drawn credit facilities. Forward foreign exchange transactions were also contracted with Russian counterparties. The market value of this transactions, sensitive to ruble/dollar parity reached €60 million as of 31 December 2021. This figure represented the counterparty risk associated with this date. Moreover, Crédit Agricole Indosuez Wealth Management Russian exposures amounted around €250 million as of 31 December 2021. All in, these exposures, which are of a limited size and of good quality, are under a close monitoring.

2. FINANCIAL RISKS

Financial risks cover the risks associated with the environment in which Crédit Agricole CIB operates, in particular market risk, risk of change in the value of equity investments, foreign exchange risk, liquidity risk, risk of change in the value of the securities portfolios (or issuer risk) and global interest rate risk.

◆ A – The evolution of financial market conditions could impact Crédit Agricole CIB results

Crédit Agricole CIB's businesses are materially affected by conditions in the financial markets, which in turn are impacted by current and anticipated future economic conditions in France, Europe and in the other regions around the world where Crédit Agricole CIB operates. In particular, the risks to which Crédit Agricole CIB is therefore highly exposed include fluctuations in interest rates, security prices, foreign exchange rates, its own issuer spread and the prices of oil, precious metals and other commodities.

Protracted market movements, particularly asset price declines, may reduce the level of activity in the market or reduce market liquidity. Such developments can lead to material losses if Crédit Agricole CIB cannot close out deteriorating positions in a timely manner. This may especially be the case for assets held by Crédit Agricole CIB that are not very liquid at the outset. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that Crédit Agricole CIB calculates using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that Crédit Agricole CIB has not anticipated.

In the course of 2021, Crédit Agricole CIB was strongly mobilized to prepare for the new benchmark indices which replaced BOR indices. This reform generates new types of market risks. Indeed, the abundance of replacement indices generates not only risks related to the valuation of these new indices and their correlation, but also uncertainty about their quality and sustainability.

Risk-weighted assets specific to market risk amounted to €9.1 billion as at 31 December 2021.

◆ B – Crédit Agricole CIB is exposed to the risk of change in the value of its securities portfolio

Securities held in the banking book and recognised at fair value are purchased by Crédit Agricole CIB primarily for the purpose of managing liquidity reserves. Their value may fall as a result of changes in interest rates or in the credit quality of the issuer, in respect of debt securities (Credit Spread Risk in the Banking Book (CSRBB)) or as a result of a fall in the stock market price, in respect of listed shares.

The carrying amount of Crédit Agricole CIB's securities and derivatives portfolios and certain other assets, as well as that of its own debt, in its balance sheet are adjusted at each financial statement date. Most of the adjustments are made based on changes in the fair value of Crédit Agricole CIB's assets or liabilities during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. The fact that fair value adjustments are recognised in one accounting period does not mean that further adjustments will not be necessary in subsequent periods.

As at 31 December 2021, the gross outstanding debt securities held by Crédit Agricole CIB were close to €34 billion. Accumulated impairments and reserves and negative fair value adjustments due to credit risk were €37 million.

◆ C – Crédit Agricole CIB is exposed to Foreign exchange risk

Crédit Agricole CIB is not exposed to operational foreign exchange risk, resulting from results in non-euro currencies, as results in non-euro currencies are systematically hedged.

Structural foreign exchange risk results from Crédit Agricole CIB's long-term investments in assets denominated in foreign currencies, mainly the equity of its foreign operating entities, whether they result from acquisitions, transfers of funds from head office or the capitalisation of local earnings. These positions are not fully hedged. The Group's policy for managing structural foreign exchange positions aims at achieving two main goals: i/ regulatory, to protect the Group's solvency ratio against currency fluctuations; ii/ proprietary interests, to reduce the risk of loss of value for the assets under consideration. The unhedged part is subject to structural foreign exchange risk.

Any unfavourable change in exchange rates will affect the value of unhedged long-term investments.

Crédit Agricole CIB main structural foreign exchange gross positions are in US dollars, in currencies linked to the US dollar – mainly Middle East currencies and some Asian currencies – in UK pound and in Swiss francs.

◆ D – Crédit Agricole CIB is exposed to liquidity availability and liquidity price risks

Liquidity risk has two aspects: liquidity availability risk and liquidity price risk. With regard to liquidity availability risk, Crédit Agricole CIB is exposed to the risk that its equity and liabilities, including clients' deposits, short-term market funds and long-term market funds, are insufficient to cover its assets. If this were the case, Crédit Agricole CIB would be at risk of not having the necessary funds to meet its commitments. This situation may result from a systemic crisis (a financial crisis impacting all operators), an idiosyncratic crisis (specific to the Crédit Agricole Group or Crédit Agricole CIB) or a combination of both. The Group's primary objective in managing liquidity is to ensure that it has sufficient resources to meet its requirements in the event of any type of severe, prolonged liquidity crisis, at a reasonable price. As at 31 December 2021, Crédit Agricole CIB's liquidity coverage ratio (LCR), the prudential ratio to ensure the short-term resilience of the liquidity risk profile, was 164%, greater than the regulatory minimum of 100%, and greater than the target of 110% under the medium-term Plan.

Liquidity price risk is the risk of additional financial costs caused by a change in refinancing spreads. Crédit Agricole CIB's cost of obtaining long-term unsecured funding from market investors, is directly related to its credit spread (the amount paid to investors in debt instruments issued by Crédit Agricole CIB, in excess of the interest rate of government securities of the same maturity). Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the issuer's creditworthiness, reflected in its credit rating.

Credit ratings have a significant impact on Crédit Agricole CIB's liquidity, both in terms of availability and price. A significant rating downgrade could have a significant adverse impact on Crédit Agricole CIB's liquidity and competitiveness. In relation to availability, ratings influence the amount of liquidity Crédit Agricole CIB can borrow on the markets; they may also, in the event of a significant deterioration, generate an additional liquidity requirement impacting obligations under certain trading, derivatives and hedging contracts. In relation to price, a better rated issuer will benefit, everything else being equal, from a lower price.

The Group's ratings from Moody's, S&P Global Ratings and Fitch Ratings are Aa3 [stable perspective], A+ [stable perspective] and AA- [stable perspective], respectively, at 31 December 2021.

◆ E – Any significant variation in the the value of equity investments could impact Crédit Agricole CIB results

Crédit Agricole CIB holds equity securities in various Crédit Agricole Group entities (for instance, Crédit Agricole Egypt), but also in external entities as part of its activities (for instance in stock exchanges). Equity securities held by Crédit Agricole CIB in strategic investments could fall in value, requiring it to recognise impairment charges in its consolidated financial statements, which could negatively impact its results of operations and financial position. Crédit Agricole CIB's degree of control may be limited, and any disagreement with other shareholders or with management may adversely impact the ability of Crédit Agricole CIB to influence the policies of the relevant entity.

As at 31 December 2021, the carrying amount of securities owned by Crédit Agricole CIB was around €0.2 billion, principally in relation to Crédit Agricole Egypt.

◆ F – Crédit Agricole CIB is exposed to variations in interest rates

Overall interest rate risk or interest rate risk in the banking book of a financial institution (IRRBB) is the risk incurred when a change in interest rates occurs, as a result of all balance sheet and off-balance sheet transactions, other than transactions subject to market risk. Any significant change in interest rate could adversely affect Crédit Agricole CIB's consolidated revenues, equity or profitability.

Crédit Agricole CIB's exposure to overall interest rate risk on client transactions is limited given that the majority of loans and deposits are at variable rates, and given the interest rate matching rule for each customer financing with the Treasury. Interest rate risk is primarily derived from equity capital and equity investments, the modelling of non-interest-bearing liabilities and from maturities of less than one year from the Treasury activities of the banking book.

Crédit Agricole CIB is mainly exposed to changes in interest rates in the eurozone and, to a lesser extent the US Dollar.

Thus, in terms of net banking income sensitivity for the first year, Crédit Agricole CIB could lose €163 million of revenues in case of a 200-basis-point decrease in interest rates, excluding TLTRO, i.e. a 2.75% sensitivity for a reference net banking income of €5,913 million in 2021. Based on these same sensitivity calculations, the net present value of the loss incurred in the next ten years in the event of an adverse 200 basis point movement in the yield curve equals 0.74%, i.e.€206 million of Crédit Agricole CIB equity.

3. OPERATIONAL RISKS

Crédit Agricole CIB's operational risk is the risk of loss resulting from faulty or inadequate internal processes (particularly those involving staff and IT systems) or from external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.).

Within operational risk, non-compliance risks and legal risks can be distinguished (A) from the other risks of losses arising from inadequate or deficient internal processes, staff and systems or from external events which are grouped into "Other operational risks" (B).

Risk-weighted assets specific to these risks amounted to €22.2 billion as at 31 December 2021.

◆ A – Crédit Agricole CIB is exposed to non-compliance risks and legal risks

a) Crédit Agricole CIB is exposed to the risk of fraud

The mission of the Compliance function is to act as second line of defence, in partnership with the businesses, to protect the bank, its employees and its clients, in particular by combating financial crime and more particularly by preventing money laundering, terrorist financing and fraud.

In a context of increasing attempts at external fraud and of more complex operating methods (notably via cybercrime), actions have been taken constantly and regularly to prevent, raise awareness, detect, and, when necessary, following attempts or proven fraud cases, to start legal proceedings or sanctions. Businesses invest in research and development to reinforce the tools deployed to combat external fraud, through innovative solutions and the development of client service on means of payment.

Over the period 2019-2021, the breakdown of Crédit Agricole CIB's operational losses due to internal and external fraud amounted to around 53% of its total operating losses. The "internal fraud" category represented 52% of operational losses. External Fraud represented 1% of operational losses, excluding cross-border credit risk, consisting of external fraud incidents committed by or at clients that generated or aggravated credit losses. According to Basel principles, those losses were recognised in cost of credit risk.

b) Crédit Agricole CIB is exposed to the risk of paying high damages or fines: risk arising from legal, arbitration or administrative proceedings which could be initiated against it

Crédit Agricole CIB has in the past been, and may in the future be, subject to significant legal proceedings (including class action lawsuits), arbitrations and regulatory proceedings. When determined adversely to Crédit Agricole CIB, these proceedings can result in awards of high damages, fines and penalties. Legal and regulatory proceedings to which Crédit Agricole CIB has been subject involve issues such as collusion with respect to the manipulation of market benchmarks, violation of international sanctions, inadequate controls and other matters. While Crédit Agricole CIB in many cases has substantial defences, even where the outcome of a legal or regulatory proceeding is ultimately favourable, Crédit Agricole CIB may incur substantial costs and have to devote substantial resources to defending its interests.

Organised as a business line, the Legal Affairs Department has two main objectives: to control legal risk, which can give rise to disputes and civil, disciplinary or criminal liabilities, and to provide the legal support needed by entities to enable them to carry out their activities.

At the end of December 2021, provisions on operational risks amounted to €414 million for Crédit Agricole CIB. This amount includes legal risks costs.

The international scope of Crédit Agricole CIB's operations exposes it to risks inherent in foreign operations, including the need to comply with multiple and often complex laws and regulations applicable to activities in each of the countries in which Crédit Agricole CIB is active, such as local banking laws and regulations, internal control and disclosure obligations, data privacy restrictions, European, US and local anti-money laundering and anti-corruption laws and regulations and international sanctions. Breaches of these laws and regulations could damage Crédit Agricole CIB's reputation, result in litigation, civil or criminal penalties, or otherwise have a material adverse effect on its business activities. At end-2021, Crédit Agricole CIB had operations in 37 countries. This scope includes the parent entity, its subsidiaries and their branches. It does not include held-for-sale and discontinued operations, nor any entities consolidated using the equity method. At the end of 2021, 71% of Crédit Agricole CIB net banking income (excluding intragroup eliminations) came from France and Europe.

To illustrate, in October 2015, Crédit Agricole CIB and its parent company, Crédit Agricole S.A., reached agreements with the US federal and New York State authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008. Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US federal and New York State authorities in connection with their investigations, have agreed to pay a total penalty in the amount of $787.3 million (i.e., €692.7 million).

◆ B – Crédit Agricole CIB is exposed to other operational risks including Information System Security risks

Other operational risks include risks of losses resulting from inadequate or defective processes, staff and internal systems or external events, excluding fraud which is covered in A. Over the period 2019 to 2021, Crédit Agricole CIB's operational risk incidents covered the following: the "Execution, delivery and process management" category represented 34% of operational losses, the "employment practices" category represented 10% of operational losses and the "clients and commercial practices" category represented 3%. Finally, "business disruptions and system failures" incidents accounted for 1% of operational losses. The remaining part of operational losses comes from events related to fraud which is covered in A.

Risks related to the security of information systems have become a priority, not because of the historical losses (in the "business disruptions and system failures" category referred to above), but due to the emergence of new forms of risk. Crédit Agricole CIB is subject to cyber risk, i.e., the risk of a virtually committed malicious and/or fraudulent act aimed at manipulating information (personal, banking/insurance, technical or strategic data), processes and users with a view to causing significant losses to companies, their employees, partners and clients.

Like most other banks, Crédit Agricole CIB relies heavily on communications and information systems throughout the Group to carry out its business. Any failure or interruption or breach of security of these systems could result in failures or interruptions in its client relationship management, general ledger, deposit, servicing and/or loan organisation systems and give rise to significant costs.

Crédit Agricole CIB is also exposed to the risk of an operational failure or interruption of one of its clearing agents, foreign exchange markets, clearing houses, custodians or other financial intermediaries or external service providers that it uses to execute or facilitate its securities transactions. As its interconnectivity with its clients grows, Crédit Agricole CIB may also become increasingly exposed to the risk of operational failure of its clients' information systems.

The risk of non-continuity of operations did not materialize during the Covid crisis: the business continuity plan and the use of teleworking allowed production capacities to be maintained. However, the persistence of teleworking raises the question of respect for confidentiality in remote work, without any incident identified at this stage, and the question of reviewing the specific authorizations granted in this context. Psycho-social risks are monitored with vigilance.

4. BUSINESS RISK

Business risks covers on the one hand the systemic risk: global risk related to the macroeconomic, political and regulatory environment (in particular, the prudential and tax environment), and on the other hand the strategic risk: the risk linked to losses or falls in revenue or profits due to decisions over Crédit Agricole CIB strategic choices and/or competitive positioning.

A - Potential negative impact of adverse economic and financial conditions could expose Crédit Agricole CIB to systemic risk which would impact its activities and financial situation

The businesses of Crédit Agricole CIB are specifically and significantly exposed to changes in financial markets and to the development of the economic conditions in France, Europe and the rest of the world. In the financial year ended 31 December 2021, 41% of Crédit Agricole CIB's net banking income were generated in France, 30% in Europe, 29% in the rest of the world. A deterioration in economic conditions in the markets where Crédit Agricole CIB operates could have one or more of the following impacts:

- adverse economic conditions would affect the business and operations of clients of Crédit Agricole CIB, which could decrease its revenues and increase the rate of default on loans and other receivables, generating additional cost of risk for Crédit Agricole CIB;
- a fall in bond, equity and commodity prices could impact a significant proportion of Crédit Agricole CIB's business activities;
- macro-economic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and may impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the businesses of Crédit Agricole CIB that are most exposed to market risk;
- perceived favourable economic conditions generally or in specific business sectors could result in asset price bubbles which could in turn exacerbate the impact of corrections if conditions became less favourable;
- a significant economic disruption (such as the global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe impact on all of the activities of Crédit Agricole CIB, particularly if the disruption is characterised by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all;

Over 2021, uncertainties related to the health situation were perpetuated in Europe, with improvements coming from vaccination and booster vaccination campaigns being offset by the emergence of new and more contagious variants of the virus. New restrictive measures were put in place in some European countries (limitations, curfews, lockdown measures and border closures, etc.) which have caused economic slowdown and have weighted on economic agents' confidence. It cannot be excluded that other measures have to be rolled out in the future, even in countries where the vaccination rate is high. Moreover, there is still strong uncertainty over the effective damages caused by the crisis to the system of production (business failures, bottlenecks on the worldwide supply chains) and to the labour market (unemployment), which are currently limited by the impact of budgetary and monetary measures to support the economy. The pace at which governments and central banks (and notably the European Central Bank) will phase out these measures generates uncertainties. In this context, the European commission revised its growth forecasts for the year 2022 last October, to 4.3% for the Euro zone and to 3.8% for France. Moreover, the pandemic spreads unequally over the globe, in particular in some emerging countries which are struggling to control the virus. Restrictive governmental measures were thus maintained, which disrupt world trade, supply chain and international mobility.

Despite economic support measures put in place in numerous countries, the pandemic impact on economy and financial markets at international level have had and may still have a negative impact on Crédit Agricole CIB's results and financial situation. In this respect, the government controls and travel bans implemented around the world as a response to the health crisis have caused:

- Travel bans or restrictions to freedom of assembly, which impacted a large range of sectors: air transport, cruise, restaurants, international tourism, events;
- Slowdown or complete disruption to global supply chains and a slowdown in investment (in the automotive sector for instance), causing shocks in supply and demand that have given rise to a marked slowdown in economic activity;
- Structural changes in consumer habits, for instance in the sectors of non-food retailing. Besides, commercial real estate is also subject to increased vigilance, as the crisis accelerated pre-existing threats in some segments, as malls which face the competition from on-line purchases, and offices which have to cope with increased remote working;
- Finally, Significant impacts on financial markets, with increased volatility, stock market indices declining precipitously, falls in commodity prices and credit spreads widening for many borrowers and issuers.

The diversification in Crédit Agricole CIB business lines and investments already initiated have limited these risks: the year 2021 shows that certain businesses or sectors are taking over when others are lagging behind. This was the case both in capital markets activities, where the growth of equity activities is already producing very promising results, and in commercial banking. However, the economic sectors in which Crédit Agricole CIB operates have been affected in different ways by the health and economic context. Those in which the deterioration of risk profile is most marked include: the maritime sector (notably ports, bulkers, cruises, tankers), which represents 2.6% of Crédit Agricole CIB's exposures, aeronautics (in particular airlines), which represents 3.6% of exposures, real estate (and notably hotels), representing 4.5% of Crédit Agricole CIB 's exposures, the Oil & Gas sector (Oil services, offshore), representing 8.8% of exposures, and the automotive sector (rental companies), representing 3.2% of Crédit Agricole CIB 's exposures at 31 December 2021.

The deterioration of the risk profile in the various sectors mentioned above is reflected in the cost of risk for Crédit Agricole CIB, and in additional risk-weighted assets reflecting a decline in the internal credit ratings of clients. These two factors combined reduce Crédit Agricole CIB 's profitability. The year 2020 was characterized by a very high cost of risk (824 million euros for corporate and investment banking), including the negative outlook for these sectors: most of the cost of risk came from stages 1 & 2 on non-defaulted loans (IFRS9 forward-looking provisioning). The cost of risk for 2021 is lower (49 million euros for corporate and investment banking). In terms of risk-weighted assets, an increase was registered in the year 2020 of +5.4 billion euro generated by the deterioration of clients' internal ratings and by +2.2 billion euros for the year 2021. At end December 2021, the CET1 ratio of Crédit Agricole CIB was 11.7%, stable compared to end December 2020. The cost of risk and internal ratings of Crédit Agricole CIB clients could continue to be impacted by the evolution of the sanitary and worldwide economic situation in 2022.

Moreover, the conflict between Russia and Ukraine, as well as economic sanctions measures against Russia adopted in response by a number of countries (including France, the European Union, the United Kingdom and the United States) may have widespread economic and financial repercussions. The conflict has exacerbated the global markets instability with a negative impact on stock market indices, rising commodity prices (particularly oil, natural gas and agricultural products such as wheat), the worsening of supply chains disruption, the rising production costs and additional inflationary pressures beyond those already observed in recent months. These difficulties for the global economy and the financial markets could have significant negative impact for Crédit Agricole CIB and its clients, notably on the cost of risk. These conditions may continue or worsen progressively as the conflict evolves.

Beyond the Covid-19 crisis and the Russia-Ukraine, Crédit Agricole CIB's operations could be disrupted and its activities, results and financial position could therefore be materially adversely impacted by other sources:

- A deterioration in the global landscape would lead to further easing of monetary policies, combined with higher risk aversion leading to prolonged maintenance of very low interest rates in the countries judged riskless (including Germany and France);
- The political and geopolitical context – more divisive and tense – is a source of greater uncertainty and increases the overall level of risk. This can lead, in the event of rising tensions or the materialisation of latent risks, to some major market movements and can weigh on economies: trade wars, tensions in the Middle East, in Eastern Europe, social and political crises around the world, etc.;
- In Italy, a political crisis, against the backdrop of already low growth and high public debt, would have a negative impact on confidence and the economy, and could also cause a rise in interest rates and in the cost of refinancing for the government and the banks. It could also lead to losses on the sovereign portfolios of banks and insurers.
- In France, there could also be a significant fall in confidence in the event of a more marked deterioration of the social context which could lead households to consume less and save more as a precaution, and companies to delay investments, which could be harmful to growth and to the quality of credit.
- The very low level of interest rates leads investors, seeking yield, to move towards riskier assets; it leads to the formation of bubbles in financial assets and in certain real estate markets. It also leads private clients and governments to take on debt at sometimes very high levels. This increases the risks in the event of a market downturn.

B - Potential unfavourable impact of changes in laws and regulations could expose Crédit Agricole CIB to systemic risk which could affect its activities and results

A variety of regulatory and supervisory regimes apply to Crédit Agricole CIB in each of the jurisdictions in which Crédit Agricole CIB operates.

By way of illustration, such regulations pertain to, in particular:

- regulatory and supervisory requirements applicable to credit institutions, including prudential rules on capital adequacy and minimum capital and liquidity requirements, risk diversification, governance, restrictions on the acquisition of holdings and compensation (CRR and CRD4);
- rules applicable to bank recovery and resolution (BRRD);
- regulations governing financial instruments (including bonds and other securities issued by Crédit Agricole CIB), as well as rules relating to financial information, disclosure and market abuse (MAR);
- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- regulations governing certain types of transactions and investments, such as derivatives, securities financing and money market funds (EMIR);
- regulations on market infrastructure, such as trading platforms, central counterparties, central securities depositories and securities settlement systems;
- tax and accounting laws, as well as rules and procedures relating to internal control, risk management and compliance;

In addition, Crédit Agricole CIB is supervised by the ECB, and contributes to the Crédit Agricole Group's recovery plan submitted each year, in accordance with applicable regulations.

Failure to comply with these regulations could have significant consequences for Crédit Agricole CIB: significant interventions by regulatory authorities and fines, international sanctions, public reprimands, reputational damage, enforced suspension of its operations or, in extreme cases, withdrawal of its authorisations to operate. In addition, regulatory constraints could significantly limit the ability of Crédit Agricole CIB to expand its business or to carry on certain existing business activities.

Furthermore, some legal and regulatory measures have come into force in recent years or could be adopted or amended with a view to introducing or reinforcing a number of changes, some permanent, in the global financial environment. While the objective of these measures is to avoid a recurrence of the global financial crisis, the new measures have changed substantially, and may continue to change, the environment in which Crédit Agricole CIB and other financial institutions operate. The measures that have been or may be adopted include more stringent capital and liquidity requirements (particularly for large global institutions and groups such as Crédit Agricole S.A.), taxes on financial transactions, caps or taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and investment and holdings in private equity funds and hedge funds), ring fencing requirements relating to certain activities, restrictions on the types of entities permitted to enter into swaps, restrictions on certain types of activities or financial products such as derivatives, mandatory write-downs or conversions into equity of certain debt instruments in the event of resolution proceedings, enhanced recovery and resolution regimes, revised risk-weighting methodologies, periodic stress testing and the creation of new and strengthened regulatory bodies. Some of the new measures adopted after the financial crisis are expected to soon be modified, impacting the predictability of the regulatory regimes to which Crédit Agricole CIB is subject.

As a result of some of these measures, Crédit Agricole CIB has been compelled to reduce the size of certain of its business activities in order to comply with the new requirements created by the measures. These measures also lead to increased compliance costs and are likely to continue to do so. In addition, some of these measures may also significantly increase Crédit Agricole CIB's funding costs, particularly by requiring Crédit Agricole CIB to increase the portion of its funding consisting of capital and subordinated debt, which carry higher costs than senior debt instruments.

Nevertheless, a number of adjustments and regulatory changes (as well as delays regarding the date of application of certain rules, particularly those relating to prudential requirements) were made by the national and European authorities in the first half of 2020 linked to the current Covid-19 health crisis. Some of these measures will be reversed at a short-term horizon, but it is still unclear if the other adjustments, developments and changes in regulations as a result of the health crisis will be long-term or temporary, and it is therefore impossible at this stage to determine or measure their impact on Crédit Agricole CIB.

◆ C - Strategic risk: Crédit Agricole CIB could potentially fail to achieve the objectives set out in its medium-term plan

On 6 June 2019, Crédit Agricole S.A. announced its medium-term plan up to 2022 (the "2022 medium-term Plan"). 2022 is the last year of this medium term plan.

On 11 December 2019, Crédit Agricole CIB published details of this plan for its corporate and investment banking activities. The 2022 Medium-term Plan sets out a number of initiatives, including a distinctive and profitable business model based on (i) targeted geographical development in order to capture growth notably in Asia , and (ii) selective growth in a limited number of businesses, as well as being in line with the Crédit Agricole Group's project trajectory.

The 2022 Medium-term Plan includes a number of financial targets relating to revenues, expenses, net income and capital adequacy ratios. These financial targets were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions. The financial targets do not constitute projections or forecasts of anticipated results. The actual results of Crédit Agricole CIB are likely to vary (and could vary significantly) from these targets for a number of reasons, including the materialisation of one or more of the risk factors described elsewhere in this section.

For example, at the end of 2022, Crédit Agricole CIB targets to generate revenue of around €5 billion, with profitability of more than 10%.

The plan's success depends on a very large number of initiatives (some significant and other modest in scope) within Crédit Agricole CIB. The 2022 medium-term Plan also provides for significant investments, but if the objectives of the plan are not met, the return on these investments will be less than expected.

If Crédit Agricole CIB fails to reach the objectives that were defined in its 2022 Medium Term Plan, its financial situation and its results could be impacted significantly.

5. CLIMATE RISK

◆ Crédit Agricole CIB is exposed to the risks incurred by climate change.

Crédit Agricole CIB is mainly subject to climate risk through counterparties to which it is exposed. Accordingly, when Crédit Agricole CIB lends to businesses that carry out activities that produce significant quantities of greenhouse gases, Crédit Agricole CIB is subject to the risk that more stringent regulations or limitations on the borrower's activities could have a material adverse impact on its credit quality, causing Crédit Agricole CIB to suffer losses on its loan portfolio (energy transition risk). As the transition to a more stringent climate change environment accelerates, Crédit Agricole CIB will have to adapt its activities appropriately in order to achieve its strategic objectives and to avoid suffering losses.

By way of example, the Crédit Agricole Group's Corporate Social Responsibility Project, published on December 1, 2021, provides for a program plan with 10 commitments, at the heart of all its activities. For Crédit Agricole CIB, the most significant commitments include the total cessation of all project financing directly related to the extraction of unconventional hydrocarbons as of January 2022; the protection of the Arctic zone where Crédit Agricole CIB excludes all direct financing of oil and gas projects; and the significant reduction of exposure to oil extraction by 20% by 2025. As part of the promotion of renewable energy financing, Crédit Agricole CIB also commits to increase its exposure to non-carbon energy by 60% by 2025 and to accelerate the development of its platform dedicated to consulting and financing of hydrogen projects. Finally, Crédit Agricole CIB will integrate extra-financial performance criteria in the analysis of 100% of its corporate financing.

Crédit Agricole CIB is also subject to physical risks, i.e., the risk that acute weather episodes or a long-term change in climate models (leading to a rise in water levels, for example) damage its own facilities or those of its clients. However, Crédit Agricole CIB is mainly present in countries which would have financial capacity to deal with the costs triggered by such phenomena, both in terms of prevention and of damage repair.

6. RISKS RELATING TO THE STRUCTURE OF THE CRÉDIT AGRICOLE GROUP

◆ A - If any member of the Crédit Agricole Network encounters future financial difficulties, Crédit Agricole S.A. would be required to mobilise the resources of the Crédit Agricole Network (including Crédit Agricole CIB's resources) to support that member

Crédit Agricole S.A. is the central body of the Crédit Agricole Network, consisting of Crédit Agricole S.A., the Regional Banks and the Local Banks, pursuant to Article R. 512-18 of the French Monetary and Financial Code ("CMF"), as well Crédit Agricole CIB and BforBank as affiliate members (the "Network").

Under the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the CMF, Crédit Agricole S.A., as the central body, must take all measures necessary to ensure the liquidity and solvency of each affiliated credit institution, as well as the Network as a whole. As a result, each member of the Network benefits from and contributes to this internal financial solidarity. The general provisions of the CMF are reflected in the internal provisions setting out the operational measures required for this legal internal financial solidarity mechanism. More specifically, they have established a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any members of the Network that may experience difficulties.

Although Crédit Agricole S.A. is not currently aware of any circumstances that may require it to use the FRBLS to support a member of the Network, there can be no assurance that there will no need to use the Fund in the future. In such circumstances, if the resources of the FRBLS were to be insufficient, Crédit Agricole S.A., as part of its role as the central body, would be required to make up the shortfall from its own resources and, where appropriate, those of the other members of the Network, including Crédit Agricole CIB.

As a result of this obligation, if a member of the Network were to face major financial difficulties, the event underlying these financial difficulties could impact the financial position of Crédit Agricole S.A. and the other members of the Network (including Crédit Agricole CIB) that are relied upon for support under the financial solidarity mechanism.

The European banking crisis management framework was adopted in 2014 by EU Directive 2014/59 (known as the "Bank Recovery and Resolution Directive - BRRD"), incorporated into French law by Order 2015-1024 of 20 August 2015, which also adapted French law to the provisions of European Regulation 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund. Directive (EU) 201/879 of 20 May 2019, known as "BRRD2", amended the BRRD and was incorporated into French law by Order 2020-1636 of 21 December 2020.

This framework, which includes measures to prevent and to resolve banking crises, is intended to preserve financial stability, to ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, to protect depositors, and to avoid or limit the use of public financial support as much as possible. In this context, the European Resolution Authorities, including the Single Resolution Board, have been granted extensive powers to take all necessary measures in connection with the resolution of all or part of a credit institution or the group to which it belongs.

For cooperative banking groups, the "extended single point of entry" ("extended SPE") resolution strategy is favoured by the resolution authorities, whereby resolution tools would be applied simultaneously at the level of Crédit Agricole S.A. and the affiliated entities (including Crédit Agricole CIB). In this respect, and in the event of a resolution of the Crédit Agricole Group, the scope comprising Crédit Agricole S.A. (in its capacity as the corporate centre) and its affiliated entities (including Crédit Agricole CIB) would be considered as a whole as the expanded single-entry point. Given the foregoing and the solidarity mechanisms that exist within the network, a member of the Crédit Agricole network cannot be put individually in resolution.

The resolution authorities may initiate resolution proceedings against a credit institution where it considers that: the institution has failed or is likely to fail, there is no reasonable prospect that another private measure will prevent the failure within a reasonable time, a resolution measure is necessary, and a liquidation procedure would be inadequate to achieve the resolution objectives mentioned above.

The resolution authorities may use one or more resolution tools, as described below, with the objective of recapitalising or restoring the viability of the institution. The resolution tools should be implemented in such a way that equity holders (shares, mutual shares, CCIs, CCAs) bear losses first, with creditors following up immediately, provided that they are not excluded from bail-in legally speaking or by a decision of the resolution authorities. French law also provides for a protective measure when certain resolution tools or decisions are implemented, such as the principle that equity holders and creditors of an institution in resolution may not incur greater losses than those they would have incurred if the institution had been liquidated in the context of a judicial liquidation procedure under the French Commercial Code (NCWOL principle referred to in Article L. 613-57.I of the CMF). Thus, investors are entitled to claim compensation if the treatment they receive in a resolution is less favourable than the treatment they would have received if the institution had been subject to normal insolvency proceedings.

In the event that the resolution authorities decide to put the Crédit Agricole Group in resolution, they will first write down the CET1 instruments (shares, mutual shares, CCI and CCA), additional Tier 1 and Tier 2 instruments, in order to absorb losses, and then possibly convert the additional Tier 1 and Tier 2 instruments into equity securities [(1)]. Then, if the resolution authorities decide to use the bail-in tool, the latter would be applied to debt instruments [(2)], resulting in the partial or total write-down of these instruments or their conversion into equity in order to absorb losses.

With respect to the corporate centre and all affiliated entities, the resolution authorities may decide to implement, in a coordinated manner, impairment or conversion measures and,

[1] Articles L. 613-48 and L. 613-48-3 of the CMF
[2] Articles L. 613-55 and L. 613-55-1 of the CMF

where applicable, bail-ins. In such an event, the impairment or conversion measures and, where applicable, Bail-ins measures would apply to all entities within the Crédit Agricole network, regardless of the entity in question and regardless of the origin of the losses.

The creditor hierarchy in resolution is defined by the provisions of Article L 613-55-5 of the CMF, effective as at the date of implementation of the resolution.

Equity holders and creditors of the same rank or with identical rights in liquidation will then be treated equally, regardless of the group entity of which they are creditors.

The scope of this bail-in, which also aims to recapitalise the Crédit Agricole group, is based on capital requirements at the consolidated level.

Investors must then be aware that there is therefore a significant risk that holders of shares, mutual shares, CCIs and CCAs and holders of debt instruments of a member of the network will lose all or part of their investment if a resolution procedure is implemented on the Group, regardless of the entity of which they are a creditor.

The other resolution tools available to the resolution authorities are essentially the total or partial transfer of the activities of the institution to a third party or to a bridge institution and the separation of the assets of the institution.

This resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the CMF, which applies to the Crédit Agricole network, as defined in Article R. 512-18 of the same Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution procedure.

The implementation of a resolution procedure to the Crédit Agricole group would thus mean that the legal internal solidarity mechanism had failed to remedy the failure of one or more network entities, and hence of the network as a whole.

2. RISK MANAGEMENT

This section of the management report presents the risk appetite of the Crédit Agricole CIB Group, the nature of the main risks the Group is exposed, the magnitude and the arrangement put in place to manage these risks.

The information presented in accordance with IFRS 7, relating to disclosures on financial instruments covers the main following risk types [(1)]:

- Credit risks;
- Market risks;
- Structural risk of balance sheet management: global interest risk, foreign exchange risk and liquidity risk, including risks of the issuance sector.

To cover all the inherent risk to the banking activity, additional information is provided concerning:

- Operational risks;
- Legal risks;
- Non-compliance risks.

In accordance with regulatory provisions and the profession's good practices, the risk management within Crédit Agricole CIB Group results in governance in which each role and responsibility is clearly identified, as much as in methodologies and effective and reliable risk management procedures in order to measure, monitor and manage all the risks incurred at the Group level.

2.1. CONCISE STATEMENT ON RISKS

Statement prepared in compliance with Article 435(1)(f) of Regulation (EU) No. 575/2013.

Crédit Agricole CIB has learned from the 2007/2008 crisis and has considerably reduced its risk appetite, primarily by suspending or cutting back on some of its market activities. Its strategic guidelines and management and control systems have therefore been scaled in such a way as to maintain a controlled risk profile which is adapted to well thought out commercial ambitions, an uncertain economic climate and greater regulation.

This model has proven its resilience since 2011 by generating sustainable profitability, with recurring revenue, while retaining little exposure to market volatility. The risk profile is low, as it is based on a conservative approach.

The Board of Directors approved Crédit Agricole CIB's risk appetite for the first time on 30 July 2015. It is updated regularly and at least annually by the Board to ensure that it remains consistent with the financial objectives of Crédit Agricole CIB and that it reflects the regulatory constraints, in particular Pillar II. The 2021 risk appetite was approved by the Board on 10 December 2020.

2.1.1 RISK APPETITE FRAMEWORK

CRÉDIT AGRICOLE GROUP APPROACH AND RISK LEVELS

In accordance with the Group's approach, Crédit Agricole CIB expresses its risk appetite qualitatively as well as quantitatively based on key indicators, the most significant of which are broken down into several risk levels:

- appetite is used for managing normal everyday risk. It is expressed in budget targets for solvency and liquidity, and in operational limits for market and counterparty risks, any breach of which is immediately flagged up and then reported to Executive Management for a decision, within the designated committees or bodies, depending on the indicator;
- tolerance is used for exceptional management of an increased level of risk. Any breach of tolerance thresholds triggers an immediate report both to the Group Risk Management Department (DRG) and to the Chairman of the Crédit Agricole CIB Board of Directors Risk Committee, which is then, if necessary, referred up to the Board of Directors;
- capacity is the maximum risk that Crédit Agricole CIB could theoretically take on without infringing its operational or regulatory constraints

ROLE OF THE BOARD OF DIRECTORS

Crédit Agricole CIB's risk appetite must be approved by its Board of Directors, following a proposal by Executive Management and after it has been examined by the Board of Directors Risk Committee. Crédit Agricole CIB's risk profile is examined on a regular basis (at least quarterly) by the Risk Committee and by the Board of Directors to ensure that it is still compliant with the risk appetite which has been defined and, where necessary, the risk appetite should be adjusted to be in keeping with changes to the economic climate, regulatory constraints and with Crédit Agricole CIB's commercial and financial goals.

RISK APPETITE, SPECIFIC RISK STRATEGIES AND SECTOR POLICIES

Every business line, country or significant sector of the Bank defines periodically a risk strategy that is specific to it and consistent with its financial objectives and its competitive positioning. These risk strategies are approved by the Strategies and Portfolios Committee (CSP) chaired by the Executive Management and, if necessary, by the Group Risk Committee (CRG) chaired by the Executive Management of Crédit Agricole S.A. for risk strategies which the shareholder wishes to authorize at its level, and then lastly, in compliance with the Ministerial Order of 3 November 2014, by the Board of Directors.

(1) This information is an integral part of the consolidated financial statements as of 31 December 2021 and, as such, it is covered by the Statutory Auditors' report on the consolidated financial statements.

Crédit Agricole CIB has also introduced Corporate Social Responsibility (CSR) sector policies in cooperation with the Group as a whole to manage the reputational risks stemming from the social and environmental impacts of its activities. These policies set out analysis criteria for these specific risks, which may cause Crédit Agricole CIB not to complete a transaction which displays (or in some cases does not display) certain (required or excluded) characteristics in certain sectors such as armaments, nuclear or coal (see Chapter 2). Much like the specific risk strategies, these sector policies are approved by the Strategy and Portfolio Committee (CSP) and then by the Board of Directors.

Ultimately, Crédit Agricole CIB's risk appetite therefore comprises the following five components which form a coherent whole and incorporate the Bank's commercial strategy:

i. the overall risk strategy;

ii. the dashboard of key indicators broken down into three risk levels, monitored quarterly;

iii. this concise statement;

iv. the specific risk strategies (updated periodically);

v. the sector policies.

TYPES OF RISK: RISKS CHOSEN AND ASSUMED VERSUS RISKS INCURRED

In order to achieve its commercial and financial goals, Crédit Agricole CIB choses and assumes most of its risks: counterparty risks, market risks and liquidity risks are taken on intentionally to generate income and profit. Therefore, Crédit Agricole CIB defines its appetite by ensuring that risks are in proportion with its commercial strategy and financial objectives, taking into account its previous performance, competitive position and the current economic cycle, while ensuring that all regulatory requirements (particularly those related to solvency and liquidity) are met.

Other risks such as operational and certain non-compliance risks are essentially incurred, although the implementation of protective measures and control systems limits their occurrence and possible consequences. The Bank has no appetite for these risks. The Bank's appetite is then expressed by indicators that best reflect certain control and monitoring processes designed to reduce the impact of those risks to an incompressible and tolerated minimum.

2.1.2 Overall risk profile at 31 December 2021

Crédit Agricole CIB's strategic choices, expressed within the MTP 2020-2022, have been confirmed by the sanitary crisis,which persists since the beginning of 2020. Crédit Agricole CIB's strategy remains therefore globally unchanged, without major adjustments. Thus, Crédit Agricole CIB does not plan to close entities or exit some businesses. Development choices of the MTP are not questioned, including development plans in Asia and on the repos activities.

However, limited strategy adjustments were decided. In the course of 2020, the Global Commodity Finance product line has gone through a severe crisis which exposed a significant number of frauds, and required a tightening of the credit granting policy and of the clients' classification, as well as an in-depth review of operational and documentary processes. Crédit Agricole CIB also put in place heightened vigilance on geopolitical situations and on the sectors which appear to be particularly vulnerable to the sanitary crisis: shipping (notably ports, bulkers, cruise, tankers), aviation (in particular airline companies), real estate (hotels), oil & gas (Oil services, offshore), and automotive (rental companies).

At 31 December 2021, the overall risk profile of Crédit Agricole CIB for the risks listed below, was below the tolerance level approved by its Board of Directors, except for the operational risk indicators on the Wealth Management perimeter.

GLOBALLY MANAGED RISKS: SOLVENCY AND LIQUIDITY

SOLVENCY

Key solvency risk indicators include:

- the Risk-Weighted Assets (RWA) calculated using regulatory methods;
- the economic capital originating from the "Internal Capital Adequacy Assessment Process" (ICAAP – see section 3.1 of Basel III Pillar 3 disclosures "Internal view of capital adequacy";
- the Common Equity Tier 1 (CET1) ratio; and
- the leverage ratio.

The regulatory RWAs are used to quantify nearly all of Crédit Agricole CIB's risks: credit risks, market risks and operational risks. This key indicator fully expresses the overall quantity of risk that the Bank is willing to take on (appetite), does not wish to exceed under any circumstances (tolerance), and the maximum risk in accordance with the regulatory constraints (capacity).

At 31 December 2021, Crédit Agricole CIB's regulatory RWAs stood at €131.1 billion (see section 3.2.1.1 of "Basel III Pillar 3 disclosures") and were below the Bank's tolerance threshold.

The internal economic capital needs are calculated using methodologies more adapted to Crédit Agricole CIB than the regulatory approaches. This calculation considers risks not included in Pillar 1, and quantifies them using in-house methodologies. The internal economic capital needs of Crédit Agricole CIB are below its tolerance level.

CET1 ratio corresponds to the ratio of Common Equity Tier 1 capital, divided by Crédit Agricole CIB's risk-weighted assets. At 31 December 2021, the CET1 ratio stood at 11.7% (see section 3.1.6 of "Basel III Pillar 3 disclosures") and is above the Bank's tolerance threshold.

The leverage ratio is defined as Tier 1 capital divided by the leverage exposure. Leverage exposure is composed of balance sheet assets and restated off balance sheet assets (restatements notably relate to conversion factors and derivatives). This regulatory constraint has to be respected at all time since the 28th of June 2021. At 31 December 2021, the leverage ratio stood at 4.0% (see "Impact of the application of IFRS 9 transitional provisions" of section 3.1.6 of "Basel III Pillar 3 disclosures") and was above the Bank's tolerance level.

LIQUIDITY

Key liquidity risk indicators include:

- resistance periods for short-term liquidity stress;
- the Stable Funding Position (PRS);
- the Liquidity Coverage Ratio (LCR) ; and
- The Net Stable Funding Ratio (NSFR).

Short-term liquidity stress is applied based on crisis scenarios that Crédit Agricole CIB believes that it could face should an event affect the Group (idiosyncratic crisis), the whole of the inter-bank market (systemic crisis), or a combination of the two (global crisis).

The stable funding position, defined as a long-term surplus of resources over stable assets, aims to protect business lines from the consequences of market stress.

The LCR requires the Bank to retain sufficient unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately, on private markets, assuming a liquidity crisis lasting 30 calendar days.

The NSFR is a one-year liquidity ratio, putting a limit on the transformation the bank can do, by requiring stable assets to be financed by a minimum amount of stable liabilities.

At 31 December 2021, all of these indicators were compliant with the Bank's tolerance in this area. Note that the LCR of 164% and the NSFR of 113% far exceed the regulatory requirement of 100%.

RISKS SPECIFICALLY MANAGED WITHIN THE CORPORATE AND INVESTMENT BANKING (CIB) AND WEALTH MANAGEMENT BUSINESS LINES

CREDIT RISKS

Crédit Agricole CIB's focuses on debt-related business: credit risk is therefore central to its activities and is by far the greatest risk. Like Crédit Agricole CIB's competitors, CIB clients are often large multinationals or major financial institutions which by their very nature, in addition to individual creditworthiness issues, generate a concentration risk in this area. This risk should however be put into perspective by viewing the Crédit Agricole Group as a whole. The refocusing strategy applied since the financial crisis slightly reduced the number of counterparties and geographical sites, and therefore resulted in a relative increase in the portfolio concentration.

However, the Bank is still active in a large number of countries and economic sectors, thus benefiting from the positive effect of sectoral and geographical diversification. This effect is measured and monitored under ICAAP.

On the other hand, Crédit Agricole CIB's Wealth Management (WM) generates few credit risks, as the majority of its credits are Lombard loans which are secured against collateral such as: cash, securities, life insurance contracts, etc.

Therefore, Crédit Agricole CIB's risk appetite is defined in accordance with six key indicators:

- expected losses (EL) within one mid-cycle year for all of its exposures using the internal ratings-based approach (IRBA), excluding defaulted exposures (separate thresholds for CIB and Wealth Management);
- the share of defaulted outstandings in total outstandings (separate thresholds for CIB and Wealth Management) and their coverage rate (CIB only);
- unexpected losses due to the sudden and simultaneous default of several investment grade counterparties (CIB only);
- the "underwriting risk for corporate clients", whose thresholds are defined according to the credit quality of the borrower, which limits the temporary credit risk incurred by Crédit Agricole CIB for any corporate group during an underwriting transaction on debt instruments (CIB only);
- the proportion of unsecured credit (Wealth Management only).

At 31 December 2021, all six indicators were below the Bank's tolerance thresholds.

MARKET RISKS

A series of refocusing and adaptation plans have reduced Crédit Agricole CIB's market activity and the resulting risk. This redimensioning plan followed the response to the financial crises of 2007/2008, and then 2011, and the choice to discontinue activities which were deemed to be non-strategic or below their critical size. Crédit Agricole CIB has put in place a resilient model based on a balanced business model in which capital markets activities are part of the continuity of financing activities with a diversified client portfolio. The Bank also suspended its own-account activities and, under the French Banking Law (LBF), was not required to set up an ad-hoc subsidiary. Finally, the Bank's Treasury activity is responsible for the sound and prudent management of cash within the Finance department, as required under the LBF.

Crédit Agricole CIB has retained appetite for market risks in its CIB activities, when such risks are generated by supplying corporate clients and financial institutions with the investment products and services that they require (including some structured products), and by assuming its role as a market maker for certain market segments and instruments. Wealth Management on the other hand is only exposed to a very low level of market risks.

Therefore, Crédit Agricole CIB's market risk appetite is defined in accordance with two key indicators:

- maximum one-day loss within a confidence interval of 99%, or Value-at-Risk ("VaR" see section 2.5.1.2 "Market risk measurement and management methodology"; and
- adverse and extreme stress (see section 2.5.1.2), to quantify maximum loss in theoretical extreme market conditions which systematically contradict the Bank's positions.

At 31 December 2021, these indicators were below the Bank's tolerance threshold, in particular with a VaR of €9.0 million (see section 2.51.2).

INCURRED OPERATIONAL RISKS

Crédit Agricole CIB's incurred operational risks are defined in accordance with two key indicators, while setting specific thresholds for the CIB and Wealth Management business lines:

- the share of the cost of operational risk in net banking income; and
- significant operational risk incidents.

At 31 December 2021, these indicators were below the Bank's tolerance thresholds for CIB. Wealth Management incurrent a significant operational risk incident in 2020, which generated breaches of its tolerance thresholds in 2020, and in 2021 due to additional provisions.

LEGAL AND NON-COMPLIANCE RISKS

Crédit Agricole CIB has no appetite for legal and non-compliance risks. However, any banking activity which generates income may lead to administrative or disciplinary sanctions in the event of a failure to comply with the rules relating to this activity, whether they be laws, regulations, professional or ethical standards, or even instructions from the Bank's managers. Crédit Agricole CIB manages the non-compliance risk situations inherent to income generation by measuring:

- the proportion of activities performed with the riskiest clients from a financial security viewpoint;
- the proportion of activities performed for the most complex products on the market;
- KYC Compliance rate on new relationships;
- Screening Alert Processing Rate aiming at identifying possible breaches of the international sanctions measures;
- Conduct risk, which is the risk of inappropriate behavior, with regard to regulation and ethics, of one or more employees, in their relations with customers, financial markets, third parties (suppliers, partners, etc.) or other employees, the financial or non-financial consequences of which would be detrimental to the image or the sustainability of the entity.

Specific thresholds are set out for CIB and Wealth Management according to the methods they respectively use to classify financial security or suitability risks, and to references appropriate to their business activities (commercial income or managed assets).

At 31 December 2021, these indicators were below the tolerance thresholds.

REPUTATIONAL RISKS

At 31 December 2021, Crédit Agricole CIB was not exposed to any reputational risk and was compliant with its CSR sector policies.

STATEMENT ON THE ADEQUACY OF RISK MANAGEMENT FRAMEWORKS

In accordance with Article 435-1-e of CRR (Regulation (EU) No 575/2013) and based on all the information that they received during 2021, the Board of Directors have considered at their meeting of 8 February 2022 that the risk management frameworks put in place by Crédit Agricole CIB were adequate considering the Bank's profile and strategy.

2.2. STRUCTURE OF THE RISK FUNCTION

The Risk and Permanent Control (RPC) Department is in charge of the supervision and permanent control of risks across the whole Crédit Agricole CIB Group's scope of consolidated supervision. It carries out second-level supervision and permanent control of counterparty risks, market risks, country and portfolios risks, physical, operational and technical risks, and societal and environmental risks.

The structure of Crédit Agricole CIB's Risk and Permanent Control function is integrated into the Crédit Agricole S.A. Group's Risk and Permanent Control business line.

Risk management is delegated to Crédit Agricole CIB under formally adopted subsidiarity and delegation principles.

Within this framework, RPC regularly reports its major risks to Crédit Agricole S.A.'s Group Risk Department, and has Crédit Agricole S.A.'s Group Risk Committee (CRG) approve those cases which exceed its authorised limits as well as substantial risk strategies at the Crédit Agricole S.A. Group level.

2.2.1 Global structure

RPC is based on a global structure with the following attributes:

- all risk management tasks and business lines, whatever their nature or location, are grouped together within one division;
- all Crédit Agricole CIB's local and regional RPC managers within the international network report directly to the managers at the RPC head office;
- the operational risk managers at the Head Office report to the Operational Risk Management Department;
- the Head of Risk and Permanent Control of Crédit Agricole CIB (i) reports to the Group Chief Risk Officer of Crédit Agricole S.A. and (ii) is functionally subordinate to the Chief Executive Officer of Crédit Agricole CIB;
- the Head of Risk and Permanent Control of Crédit Agricole CIB is a member of the Executive Committee of Crédit Agricole CIB.

It comprises:

1. The four specialist decision-making and management departments for each business activity:

- Markets: Market and Counterparty Risks (MCR);
- Credit: Sectors, Corporates and Structured (SCS), Financial Institutions, Sovereigns and Countries (FSP), Sensitive Cases and Impairment (ASD);

2. The six cross-functional departments dedicated to supervision and control:

- Supervision: Portfolio Models and Risk and MASAI programme (MRP), Risks, Governance & Regulatory Topics (RGR) and Architecture and Project Management (APM);
- Control: Credit Monitoring & Reporting (CMR), Operational Risk Management (MRO), and Validation of Regulatory Models on Market Activities (VRM);

3. The Corporate Social Responsibility (CSR) team;

4. RPC's General Secretariat (SGL).

2.2.2 Governance and overall management of activities

INFORMATION PROVIDED TO CRÉDIT AGRICOLE CIB'S GOVERNANCE BODIES

The Board of Directors of Crédit Agricole CIB and its Risk Committee receive:

- on an annual basis, the Internal Control Report (the RCI) for the previous year and the Half-Yearly Report on Internal Control (ISCI) as at 30 June of the current year;
- a report on risk management and the main exposure areas each quarter, and specific reports as and when needed.
- On the advice of the Risk Committee, the Board of Directors approves the Bank's risk appetite and any updates thereto, the stress test programme and the list of major risks, and, on a quarterly basis, the risk strategies and policies approved by the CSP (Strategy and Portfolio Committee) or the CRG (Group Risk Committee), where applicable.

OVERALL MANAGEMENT OF ACTIVITIES

DETERMINING THE RISK PROFILE AND RISK STRATEGIES

A member of Executive Management chairs the Strategy and Portfolio Committee (CSP). Its main roles are:

- to ensure that the Bank's global strategy is consistent with its capacity to take risks, to set guidelines that will become specific operational rules, including in the form of risk strategies, and to work on alert and Business Watch topics;
- the CSP also oversees each location/country, each business line/major sector within a specific risk strategy, providing the

main development guidelines for each business; it also decides on the main risk budgets for the global portfolio.

DECISION-MAKING PROCESS

The decision-making process within Crédit Agricole CIB is carried out by dedicated committees:

- business and geographical committees are in charge of retail financing within the limits granted to each manager;
- the most significant exposures are reviewed by the Counterparties Risk Committee (CRC) which is chaired by a member of Executive Management. Crédit Agricole S.A.'s Group Risk Department (DRG) is systematically a member of this committee and receives all applications. Exposures involving amounts in excess of the limits granted to Crédit Agricole CIB are submitted for a decision to Crédit Agricole S.A.'s Executive Management, after obtaining an opinion from the DRG;
- the Market Risk Committee (CRM), which is also chaired by a member of Executive Management, monitors market exposures twice a month. The CRM sets the limits and carries out controls on compliance accordingly.

ANTICIPATION OF COUNTERPARTY DETERIORATION

Anticipation of the potential deterioration of counterparties is addressed under:

- monthly Early Warning meetings, scheduled by the Early Detection team of the SCS department, which aim to identify early signs of potential deterioration of counterparties previously considered to be sound. After reviewing the information gathered, the purpose of these meetings is to draw the most appropriate operational consequences, depending on whether its conclusions are positive (ultimately deemed harmless or benign, not calling for mistrust of the client at this stage) or negative (confirmation of an actual concern calling for a reduction in our risk exposure);
- early detection by means of ongoing monitoring of portfolios and sub-portfolios to detect counterparties demonstrating various alert signals identified from information passed on by the risk teams and front office staff, data obtained from internal databases and market information;
- stress scenarios performed to enable measurement of the impact of a shock on a portfolio or sub portfolio (for application of Pillar 2 of Basel II) and to identify the sectors/segments requiring provisions.

The objective is to identify any potential deterioration in client risk profiles as early as possible, in order to implement preventive actions on our exposures where possible.

CONTROL OF SENSITIVE CASES

The control of sensitive cases is carried out by a dedicated department. Debts that are under special supervision or classified as in default are revised quarterly.

OPERATIONAL MANAGEMENT COMMITTEE

In addition to the Committees in charge of risks (CRC and CRM), risk management reports are also regularly presented to the following Executive Management committees:

- Crédit Agricole CIB's Executive Committee, with debates and discussions dedicated to risk management;
- the Internal Control Committee which is responsible for monitoring market and counterparty limits, controlling operational risks and following-up recommendations from internal and external audit committees;
- the Topmost Permanent Control Committee, which supervises the operation of the Permanent Control system and operational risk management of the Crédit Agricole CIB Group.

CRÉDIT AGRICOLE S.A.'S RISK MANAGEMENT PROCESS

Crédit Agricole CIB is included within Crédit Agricole S.A.'s risk process which is structured around the following committees:

- the Group Risk Committee, which is chaired by Crédit Agricole S.A.'s Chief Executive Officer. Crédit Agricole CIB mainly submits to the committee its one-off approval requests, its main risk strategies, its budgets and commitments on emerging countries, corporate authorisations of high amounts, large individual exposures, sensitive cases, limits as well as the market risk situation;
- the Risk Monitoring Committee which sits within the CRG. Chaired by Crédit Agricole S.A.'s Chief Executive Officer, it examines counterparties that show signs of deterioration or a need to arbitrate between several Group entities, as well as, more broadly, points of attention of any kind that may impact the Group's risk profile, net income or solvency (risk factors linked to a sector of the economy, country, product category, business activity, regulatory change, etc.);
- the Standards and Methods Committee (CNM) chaired by Crédit Agricole S.A.'s Head of Risk Management and Permanent Control, to which Crédit Agricole CIB submits for approval any proposal for a new method or an existing method for measuring or classifying Basel II risks before their application within Crédit Agricole CIB;
- finally, Crédit Agricole S.A.'s Group Risk Department is a permanent member of Crédit Agricole CIB's Internal Control Committee (CCI).

2.3. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

2.3.1 Definition of the internal control system

The internal control system is defined within the Crédit Agricole Group as the set of systems used to control activities and all forms of risk and to ensure the legality, security and efficiency of operations, in accordance with the reference texts set out in the paragraph below. Crédit Agricole CIB, a wholly-owned subsidiary of the Crédit Agricole Group, complies with the requirements of French and international regulations and the rules enacted by its parent company.

The internal control system and procedures can therefore be classified by the objectives assigned to them:

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

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

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

2.3.2 Reference texts relating to internal control

LAWS AND REGULATIONS

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

- the French Monetary and Financial Code;
- the Decree of 3 November 2014, relating to the internal control of banks, payment services companies and investment companies, under the control of the French Prudential Supervisory and Resolution Authority (ACPR), as amended on 25 February 2021;
- all texts relating to the exercise of banking and financial activities (a set of documents produced by the Banque de France and the C.C.L.R.F.);
- the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers).

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

- the Basel Committee's recommendations on banking control;
- local applicable laws and regulations in the countries in which the Group operates;
- European and international regulations (EMIR, DFA, etc.) applicable to Crédit Agricole CIB's business activities.

MAIN INTERNAL REFERENCE DOCUMENTS

The main internal reference documents are:

- Procedural memo 2022-04 on the organisation of internal control within the Crédit Agricole S.A. Group;
- Procedural memos dealing with the Crédit Agricole S.A. Group's risk management and permanent controls;
- documents circulated by Crédit Agricole S.A., relating to subjects including accounting (Crédit Agricole's accounting plan), financial management, risk management and permanent controls;
- the Crédit Agricole Group's Code of Conduct;
- Crédit Agricole CIB's Code of Conduct entitled "Our principles to build the future";
- a body of governance texts, published on Crédit Agricole CIB's "Corporate Secretary" Intranet database, concerning compliance, risks and permanent control and, more specifically, the texts linked to permanent control applied within the consolidated scope of the Crédit Agricole CIB Group's surveillance (text 4.0 on the structure of internal control, text 4.4 on the structure and governance of permanent controls, and text 1.5.1 on the supervision of essential outsourced services) and Crédit Agricole CIB's compliance manuals, Crédit Agricole CIB's Code of Conduct entitled "Our principles to build the future", and the procedures in the different departments of Crédit Agricole CIB, its subsidiaries and branches.

STRUCTURE OF THE INTERNAL CONTROL SYSTEM

◆ Basic principles

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

- information and involvement of the supervisory body (approval of risk appetite and risk strategies, update on the risk situation, activities and results of internal control);
- the direct involvement of the Executive Directors in the organisation and operation of the internal control system;
- complete coverage of activities and risks;
- responsibility of all persons involved;
- clear definition of tasks;
- effective separation of commitment and control functions;
- formalised and up-to-date delegations;
- formalised and up-to-date standards and procedures, especially for accounting and information processing.

These principles are supplemented by:

- systems to measure, monitor and control credit, market, liquidity, financial and operational risks (transaction processing, information systems processes), accounting risks (including quality of financial and accounting information), non-compliance risks and legal risks;
- a control system, forming part of a dynamic and corrective process, encompassing permanent controls, which are carried out by the operating units themselves or by dedicated staff, and periodic controls (Internal Audit Department).

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

As such, the Risk Committee, a specialised Committee of the Board of Directors, whose task is specifically to examine, without prejudice to the Compensation Committee, whether the incentives provided by the Company's compensation policy and practice are consistent with its situation in light of the risks to which it is exposed.

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

Monitoring of the process

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

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

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

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

The committee met four times in 2021.

Internal Control Committees have also been set up in several subsidiaries and branches, both in France and abroad. These Committees ensure the decentralised implementation of the Order of 3 November 2014. They enable the Internal Control functions at the Head Office (RPC, CPL, LGL, IGE) to be involved in the operation of Internal Control within a given scope and alert its manager as a matter of priority in the event of any anomalies and then alert the highest level of corporate governance in the event of non-resolution.

In addition, a Topmost Permanent Control Committee, chaired by the Head of RPC, is responsible for:

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

This committee comprises in particular the head of Risk Management and Permanent Control (RPC), the head of Operational Risk Management, the head of Global Compliance, the head of Legal Functions and the head of Group Internal Audit.

The Head of Group Risk Management (*Direction des risques Groupe* or DRG) Operational & IT Risks at Crédit Agricole S.A. is a permanent guest. For this committee: two committees meetings were held face-to-face and one was an E-committee in 2021.

In addition to the permanent control committees established in the head office departments, local committees have been established in the subsidiaries and branches in France and abroad. Meetings are held monthly (other than in months when a ICC is being held), either face to face or online.

Role of the supervisory body: the Board of Directors

The Board of Directors decides on strategy and controls the implementation of oversight by the Executive Directors. It approves and regularly reviews the Bank's risk appetite and risk strategies. It is notified of the structure, work and results of internal control, and of the main risks facing the Bank.

The Board of Directors has four specialised committees to assist in carrying out its duties: the Audit Committee, the Risk Committee, the Appointments and Governance Committee and the Compensation Committee. The main responsibilities of the Board of Directors and its Committees are listed below and described in further detail in chapter 3, paragraph 1.2.4 of the present Universal Registration Document:

- the Board of Directors reviews and approves the Bank's risk appetite at least once a year, after review by the Risk Committee;
- every quarter, the Board of Directors reviews and approves, after review by the Risk Committee, the specific risk strategies by country, business or sector, which have been defined during the previous quarter by the Strategy and Portfolios Committee or by the Group Risk Committee;
- in addition to the information regularly sent to the Board of Directors, particularly on the overall risk limits and exposures, compliance, legal risks and liquidity, a report on internal control is presented to it twice a year, as well as a quarterly status report on risk management and exposure. This quarterly report specifically includes a presentation on market risks, counterparty risks, operational risks and a review on Crédit Agricole CIB's situation with regard to risk appetite. This information and these reports are reviewed beforehand by the Risk Committee;
- the Board of Directors is informed of any significant fraud event or any other event detected by internal control procedures in accordance with the criteria and thresholds that it has set. A reminder of the feedback procedure for this information to the corporate bodies is provided in Crédit Agricole CIB's internal documentation;
- a presentation of periodic control reports is made twice a year to the Board of Directors, after being reviewed by the Risk Committee;
- an annual report (corporate and consolidated basis) on the organisation of internal control systems for combating money laundering and terrorist financing, and asset freezing, is submitted to the Board of Directors for approval each year;
- the report to the AMF by the head of Compliance for Investment Services (RCSI) is presented to the Board of Directors each year.

Role of the Executive Directors: Executive Management

The Executive Directors are directly involved in the organisation and operation of the internal control system.

They ensure that risk strategies and limits are compatible with the financial situation (capital levels, results) and the strategies adopted by the Board of Directors. The Executive Directors define the general organisation of Crédit Agricole CIB and oversee its effective implementation by the competent staff.

They assign clear roles and responsibilities in terms of internal control and allocate the appropriate resources. They oversee the implementation of risk identification and measurement systems that are appropriate for Crédit Agricole CIB's activities and structure.

They also ensure that they regularly receive the key information produced by these systems and that the internal control system is continuously monitored to verify its suitability and effectiveness.

They are informed of the main issues identified by internal control procedures and the remedial measures proposed, notably by the Internal Control Committee.

◆ Scope and consolidated structure of Crédit Agricole CIB's internal control systems

In accordance with the principles applied within the Group, Crédit Agricole CIB's internal control system applies to a scope which includes its branches and subsidiaries, both French and foreign, wholly or jointly controlled. The system is intended to supervision and control of activities, measurement and monitoring of risks on a consolidated basis.

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

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

In 2018, the Crédit Agricole CIB governance document was updated to take account of the new Group Procedural Memo on the structure of internal control (see above, "Main Internal Reference Documents"). This document introduces the notion of a "Consolidated Supervision Scope", by defining its rules for determining supervision and governance information procedures.

BRIEF DESCRIPTION OF THE INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT PROCEDURES IMPLEMENTED WITHIN THE COMPANY

◆ General description

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

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

Permanent control is carried out as follows:

- first degree: permanent controls are carried out when a transaction is initiated and while the transaction is being validated. They are carried out by the operators themselves, by the hierarchy within the unit or by automated transaction processing systems;
- second degree, first level: permanent controls are carried out by employees who are separate from those who initiated the transactions and who may perform operational activities;
- second degree, second level: permanent controls are carried out by staff working exclusively at the final level of specialist permanent control with no authorisation to make risk-taking commitments (Operational Risk Managers of Departments, which report to RPC, credit or market risk control, accounting control, compliance control).

The periodic (third-degree) controls cover occasional on-site audits of accounting records relating to all of the Company's activities and functions by the Group Control and Audit Department.

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

The controls, which can be integrated into automated transaction processing systems, are identified and updated based on operational risk mapping (now called Risk and Control Self-Assessment).

The results of the controls are formalised through control sheets and centralised in the RPC Operational Risk Management OLIMPIA tool. They are summarised in periodic reports at the appropriate hierarchical level (in the network and at the head office) and, on a consolidated basis, to the Head of Permanent Control and to the Topmost Permanent Control Committee.

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

The OLIMPIA tool now covers all operational risk issues: collection of incidents and losses, provision of essential outsourced services, Risk and Control Self-Assessment, Supervisory Controls.

Since 2016, the Qualitative aspect of the ICAAP (Internal Capital Adequacy and Assessment Process) has been fully included within the annual Internal control report (ICR).

◆ Detailed description

FIRST-DEGREE CONTROLS

They are performed in a hierarchical environment where the technical actions which are the subject of the control are carried out. The definition of these controls and the analysis of their results is first and foremost the responsibility of management of the scope where they are applied, under the "4 eyes" principle.

First degree permanent controls are applied to the tasks carried out by all Departments of the Bank. It is the Departments themselves that define them and implement them whilst delegating responsibility to the operational staff within their scopes.

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

SECOND-DEGREE, FIRST-LEVEL CONTROLS

They are performed in a hierarchical environment which is independent from the environment in which the action being audited was carried out. This is what they are described as "second degree" controls. They are applied to situations considered to be sufficiently sensitive to require, under regulations or as a result of a management decision, a segregation of tasks in the implementation phase, or an independent perspective.

In certain configurations, permanent level 2.1 controls may be activated in the absence of permanent level 1 controls.

SECOND-DEGREE, SECOND-LEVEL CONTROLS

They are performed in a hierarchical environment which is independent from the environment in which the action being audited was carried out, hence the "second degree" description.

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They are carried by specialist auditors who do not have any operational mandate within the scope under audit or any other scope, other than the scope for which they specifically work. This operational independence is reflected in the "second level" suffix added to their second degree status.

The second level, second degree (more frequently referred to as "2.2") controls apply in different situations:

- performing final controls and analysis based on the results of level 2.1 controls. This is part of a chain of permanent controls comprising the three pillars;
- Checking the quality of a specialised second degree, first level control relating to aggregated elements or a set of processes, if the risk represented by these elements or these processes is considered sufficiently sensitive;
- In the case of an unexpected audit or when there is an incident, checking the quality of a first degree control when there is no second degree, first level control.

The systematic "triplication" of permanent control (levels 1, 2.1 and 2.2) is not standard and must be justified by the level of risk of the action. Neither should a level 2.2 control compensate for the absence of a level 1 or 2.1 control in situations in which one or the other should normally exist, except for in very exceptional cases (closure of a unit, unexpected absence of a particular person, user back-up plan, etc.).

RISK AND PERMANENT CONTROL DEPARTMENT

The roles and responsibilities in respect of risk management are outlined in the section above, entitled "Structure of the Risk function".

Risk projects

The Credit & Counterparty Operations Domain Committee is managed by the APM (Architecture & Project Management) team, a project team which reports to the "Risk and Permanent Control" Department of Crédit Agricole CIB. This programme meets the objective of significantly and continuously improving the counterparty risk control mechanism, while meeting new regulatory requirements.

The Credit & Counterparty Operations Domain Committee, chaired by the Head of Risk, who is a member of Crédit Agricole CIB's Executive Committee, brings together risk department managers, representatives of the business lines concerned and from IT, and monitors the projects selected:

- The purpose of Project RADaR (Risk Analytics Data Reporting)/PRISM is to provide users with a single platform covering all data, easy access to consistent data (and data sources), creation of calculation libraries developed by quantitative risk research teams. Interface via the SAP BI systems for the production of internal and regulatory reporting and PRISM for exploratory analysis, simulations and real-time adjustments.
- Processing of technical obsolescence/upgrades: a project that aims to technically improve and upgrade systems requiring development to facilitate functional maintenance and operability and reduce operational risk, such as: Decommissioning of Mainframe Infocentres (SDP and RADaR)
- Project DAFNE: Overhaul of the CA Group counterparty rating system, aimed at replacing Anadefi, a tool that no longer meets the needs of the risk business lines.
- Regulatory & CA Group projects: various functional or technical developments related to changes in the CA Group and regulatory requirements such as: Group changes in CRR V4.3, regulatory changes (CRD5/CRR2, COREP 2021, SACCR (June 2021), Default, leveraged financing, TRIM, Basel 4 reforms, etc.).
- Ongoing projects: all major changes to existing systems with a minimum system to be maintained (rating, credit approval, authorisation tools, certifications, calculation engines, control and monitoring tools for outstandings/authorisations, operational risk tools) aimed at meeting new business needs, regulatory requests, recommendations arising from various inspections and various requests for contributions.
- Project MASAI FRTB: led by RPC and sponsored by GMD and RPC, aiming to introduce:
  - A new market risks ecosystem based on Big Data technology to address a strong increase in data volumes and significant complexity of market risk indicators;
  - Compliance with the regulations of BCBS 239 principles with the introduction of a new Market Risks Operating Model;
  - the Fundamental Review of the Trading Book (FRTB), which applies to the trading portfolio, with an initial deliverable covering the FRTB-Standardised Approach (first report in September 2021);
  - Daily Stress: new project aimed at significantly improving stress capacities in market activities.

Credit risks

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

The decision process is based on two authorised signatures from the front office (one as responsible for the application, the other being the relevant Delegatee) as well as an independent RPC opinion issued by an Authorised Signatory. If the RPC's opinion is negative, the decision-making power is passed on to the Chairman of the Committee immediately above.

Credit decisions are governed by risk strategies defined for each significant scope (country, business line, sector) specifying the main guidelines (target clients, types of authorised products, overall envelopes and projected unit amounts, etc.) within which each geographical entity or business line must record its activity.

When a case is considered to be outside the framework of the risk strategy in force, the normal authorisations do not apply and a decision can only be made by the Executive Management level Committee (CRC). The RPC also identifies, as soon as possible, assets that may deteriorate and initiates the most suitable measures to protect the Bank's interests.

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

In parallel, the new activities and new products management mechanism (NAP Committee) ensures that all requests made by the business lines are in line with the strategies and risks involved.

In addition, sensitive cases and major risks are monitored quarterly; other risks are reviewed annually. The adequacy of the level of reserves in relation to risk is assessed every quarter by the Executive Management, on RPC's recommendation.

This approach is supplemented by stress tests aimed at test the impact of unfavorable macroeconomic assumptions and to quantify the risks to which the bank could be exposed in a degraded environment.

Country risks

Country risk is analysed and supervised based on a specific rating methodology. The country rating, which is reviewed at least once every six months, has a direct impact on the limits set for countries for the purpose of validating their risk-strategy and on the rating of counterparties.

Market risks

The ex-ante management of market risks is organised around the operation of several committees, which assess the risks associated with activities, products and strategies before they are implemented or used:

- the New Activity or New Product Committees, organised by Business Line, allow the Market Risk teams, among others, to validate business developments before they are launched;
- the Market Risk Committee (CRM) meets once a month and oversees the entire market risk framework; it approves market risk limits;
- the purpose of the Liquidity Risk Committee (CRL) is to supervise and manage Crédit Agricole CIB's liquidity risks and to ensure the operational implementation of Group standards relating to liquidity risk monitoring;
- the Pricer Validation Committee is responsible for presenting and formally validating the pricers that were validated during the year.

Risk management is carried out using diversified risk measurements:

- global measurements with market risk supervision centred on Value at Risk (VaR), Stressed VaR (SVaR) and stress measurements; VaR and SVaR measurements are established with a daily probability of occurrence of 1%; stress scenarios include global stress tests (historical, hypothetical or adverse) as well as specific stress tests for each activity;
- specific measurements with sensitivities indicators and notional measurements.

Finally, the Valuation and Pricing Committees define and monitor the application of portfolio valuation rules for each product line.

In 2021, the project to overhaul market risks carried forward with several components including the filing of the first FRTB SA reports with the regulator, the switch to new risk-free rates, the continued decommissioning of risk tools and transition to the MASAI central data platform.

Operational risks

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

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

In addition to actual losses, the operational risk scorecard methodology takes into account provisions, specifically for legal disputes since the end of 2013 and tax disputes since the end of 2015.

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

Remedial action following significant incidents is monitored closely, in conjunction with the relevant departments.

Operational risk mapping is now called Risk and Control Self-Assessment. It covers all Departments at the head office, in the international network and at subsidiaries and is reviewed annually. Together with the Compliance and Legal functions, it covers non-compliance risks and legal risks.

RPC Operational Risk Management also monitors French and international regulations concerning capital market activities (Volcker Rule, French Banking Act) and information system security (Information Systems Risk Pilot).

Provision of essential outsourced services

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

A dedicated governance body (the Outsourcing Committee) keeps track of the services at Executive Management level, complemented by specialist monitoring in the areas that use outsourcing the most (computing and back office).

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

PERMANENT CONTROL OF ACCOUNTING AND FINANCIAL INFORMATION

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

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

In response to these objectives, Crédit Agricole CIB applied the Crédit Agricole Group's recommendations in this area.

The Risk Department is responsible for permanent second-degree, second-level (2.2) and consolidated second-degree, second-level (2.2.C) controls of accounting and financial information, while the Finance and Procurement Department is responsible for second-degree, first-level controls (see Finance and Procurement Department). For second-degree, second-level controls (2.2), the Risk Department:

- ensures that the key accounting indicators defined by Crédit Agricole S.A. are adapted to the environment of a Corporate and Investment Bank, deployed in a consistent manner and listed in Crédit Agricole CIB's operational risk management tool for Crédit Agricole CIB's head office, branches and subsidiaries;
- consults the Group's branches and main subsidiaries quarterly through an accounting certification questionnaire in which the Chief Financial Officers (CFO) commit to compliance with accounting standards;
- performs documentary checks in accordance with a control plan validated annually by the Finance Department's Internal Control Committee;

- reports and monitors operational incidents related to accounting and finance;
- annually produces the operational risk maps updated on an ongoing basis with the Finance and Procurement Department teams.

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

All these items are presented monthly to the Group's Permanent Financial Control Committee, quarterly to the Finance and Procurement Department's Internal Control Committee and annually to the Topmost Permanent Control Committee in the presence of Executive Management.

The permanent control mechanism for accounting and financial information is also applied to the information produced by Crédit Agricole CIB on behalf of the Group entities (Crédit Agricole S.A. and LCL).

Regulatory capital requirements

Within the Basel II framework, Crédit Agricole CIB uses an approach based on internal models approved by the regulator for calculating capital requirements with respect to credit and market risks as well as operational risk.

These models are part of Crédit Agricole CIB's risk management system, and are monitored and reviewed on a regular basis to ensure their effective performance and use.

With regard to credit risk, considerable efforts have been made to bring internal models into compliance with the most recent texts published by the European Banking Authority (EBA) under the IRB Repair programme. In addition, all PD and LGD models were backtested in 2021, and the results of this work will be presented to Crédit Agricole CIB's Executive Committee and validated by Crédit Agricole S.A.'s Standards and Methodology Committee. In addition, benchmarking of our internal ratings was performed on the Low Default Portfolio scopes (Large Corporates, Banks and Sovereigns) with respect to external agency ratings and ratings of other European banks participating in the annual RWA benchmarking exercise organised by the EBA. It should be noted that the purpose of the changes to our existing models and the development of new models is to measure our risks as accurately as possible and to keep pace with the regulatory changes required of banks.

Correct application of the Basel system is regularly monitored by a Basel Requirements Review Committee.

The Finance and Procurement Department: control system for accounting and financial information, global interest rate and liquidity risks

ROLES AND RESPONSIBILITIES FOR THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

In accordance with the Group's current rules, the roles and organisational principles of the Finance and Procurement Department's functions are described in an organisational memo updated in 2021.

Within the Finance and Procurement Department of Crédit Agricole CIB, Group Financial Control is in charge of drawing up the financial statements (the individual accounts of Crédit Agricole CIB, the consolidated financial statements for the Crédit Agricole CIB Group, and regulatory statements for the Company and for the Group). The Department is also responsible for providing Crédit Agricole S.A. with all of the data it needs to prepare the Crédit Agricole Group's consolidated financial statements.

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

PROCEDURES FOR THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The organisation of IT procedures and systems used for the preparation and processing of accounting and financial information is provided in procedure manuals and in an accounting risk map updated progressively over time. The Finance and Procurement Department also oversees the consistency of the architecture of the financial and accounting information systems and ensures the monitoring of the major projects in which they are involved (accounting, regulatory, prudential, liquidity).

ACCOUNTING DATA

Crédit Agricole CIB closes its results monthly. Parent company and consolidated financial statements are established using the Crédit Agricole Group's accounting standards, which are circulated by Crédit Agricole S.A.'s Accounting and Consolidation Department. The accounting treatment of complex instruments and transactions undergoes prior analysis by the Accounting Standards unit of Crédit Agricole CIB's Finance and Procurement Department.

Each Crédit Agricole CIB Group entity produces a consolidation package which is used to populate the general Crédit Agricole Group system managed by Crédit Agricole S.A. Group Financial Control issues quarterly closing instructions to the Finance and Procurement Departments of Crédit Agricole CIB entities to define the reporting schedules and to specify certain accounting treatments and the type of information to be collected over the period, particularly with a view to preparing the notes to the consolidated financial statements.

MANAGEMENT DATA

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

All management data is checked to ensure that it has been properly reconciled with the accounting data and that it complies with the management standards set by the governance bodies.

Each entity reconciles the main items of its management results with the intermediate income statement balances produced from accounting data. Group Financial Control ensures the same balance at the Crédit Agricole CIB level of consolidation.

Management data are prepared using calculation methods that ensure they are comparable over time. When published data are not extracted directly from accounting information, the sources and definition of calculation methods are generally mentioned to facilitate understanding.

DESCRIPTION OF THE FINANCE AND PROCUREMENT DEPARTMENT'S ACCOUNTING AND FINANCIAL INFORMATION CONTROL SYSTEM

The Finance and Procurement Department provides second-degree, first-level supervision of the permanent control system for accounting and financial information on a worldwide basis to ensure adequate coverage of major accounting risks that may affect the quality of accounting and financial information.

At the Head Office, the work involved in the preparation and control of accounting and financial information is formalised and reviewed with the Permanent Control Department through the quarterly rating of 2.2 indicators and through the thematic control plan based on documents defined annually.

In the entities, the accounting teams rate the key accounting indicators defined by the Risk Department in the Crédit Agricole CIB operational risk management tool every quarter. Their ratings are subject to spot checks by the Risk Management Department locally and/or at the Head Office.

RELATIONS WITH THE STATUTORY AUDITORS

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

- audit of the parent company and consolidated financial statements;
- limited review of the interim consolidated financial statements;
- review of all published financial information.

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

Finally, the Finance and Procurement Department, under a delegation granted by the Audit Committee, approves non-audit services. The fees paid to the Statutory Auditors and the auditors' independence are discussed quarterly during Audit Committee meetings.

FINANCIAL COMMUNICATIONS

Crédit Agricole CIB contributes to Crédit Agricole S.A. financial communications published for shareholders, investors, analysts and rating agencies. The financial and accounting information for the CIB activities of Crédit Agricole CIB in those reports is prepared by the financial communication team of the Finance and Procurement Department. It is consistent with that used internally and validated by the Statutory Auditors and presented to the supervisory body of Crédit Agricole CIB.

GLOBAL INTEREST RATE RISK

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

As part of the annual review of the Group's risk strategy, the RTIG limits were reviewed by the Group Risk Committee both in relation to the fixed-rate risk and the NPV (Net Present Value) limit for basis risk. Internal gap limits for interest rate positions in the main currencies other than the euro and the dollar were implemented. For basis risk, given the Index Reform, only basis risk in euros is subject to the index NPV limit.

As regards the control system, the RTIG management unit is split into a unit in charge of measuring risk and definition of risk hedges and a unit in charge of executing the hedges defined by the Capital Markets Department.

LIQUIDITY RISK

The management of liquidity risk within the Crédit Agricole CIB Group has been placed under the responsibility of the Supervision Department, which reports to the Assets and Liabilities Committee.

The existing system for management and control of the risks of illiquidity, availability and prices mainly concerns:

- the resilience to financial crises in systemic, idiosyncratic and global risk scenarios over 12 months, 3 months and 1 month. Stress tests are carried out on the position in all currencies and the equivalent in euros and for the Group's main currencies;
- the exposure to short-term market refinancing (short-term limit);
- balance sheet stability indicators (Stable Resource Position and Credit Collection Deficit);
- the concentration of long-term refinancing maturities;
- the medium-/long-term liquidity transformation gap for all currencies and for the main currencies.

Crédit Agricole CIB has a liquidity risk management platform linked to the Bank's accounting data, which measures regulatory liquidity ratios and Internal Liquidity Model indicators. For the bank's management needs, the LCR and liquidity stress tests (all currencies and dollars) are measured on a daily basis using the management tool, Liquid.

The main advances made over the course of 2021 in liquidity risk management were the following:

- Strengthening the stress system, with a review of the liquidity stress standard aimed at incorporating the effects of the Covid crisis.
- Continuing to secure the production of liquidity stress tests via an agile platform and enhancement of process automation.
- The creation of a dedicated task force to increase the reliability of the daily LCR signal.

Regarding liquidity, Crédit Agricole CIB's Permanent Control procedure is similar to that of the Group. The minimum control indicators are the same and apply to all major processes in the same way.

◆ "Global Compliance" department

The roles and organisation of compliance are outlined below in section 2.6.3. Non-compliance risks.

◆ "Legal" department

The Legal Department's main duties include managing legal risk within Crédit Agricole CIB in accordance with the Decree of 3 November 2014, as amended by the Decree of 25 February 2021, and providing the necessary support to the Bank's Cross-Business Departments and Functions to enable them to operate with minimal legal risk, the mandate and monitoring of the relations with the Bank's external legal consultants and the implementation of an alert system in case of a negative or qualified opinion (opinion in which the Legal function discourages completion of a market transaction/deal and indicates the legal risks taken by the Bank if this opinion is not taken into account).

The Head of Crédit Agricole CIB's Legal Department reports back on the work of the Legal Function to the Group's Legal Head and functionally to the Chief Executive Officer of Crédit Agricole CIB and the Deputy Chief Executive Officer responsible for Finance.

The Head of the Legal Department has hierarchical or functional authority, as the case may be, over head office legal heads, legal heads of the entities of Credit Agricole CIB Group, as well as regional legal heads.

The Legal Function's (LGL) permanent control and legal risk management system fall within the framework defined by Crédit Agricole CIB and Crédit Agricole S.A..

The Legal Function contributes to ensure that the Bank's business activities and operations comply with the applicable laws and regulations. It reviews the legal risks arising from Crédit Agricole CIB's activities, products, services and transactions, and ensure the permanent control of the operational risks generated on its own perimeter.

It also provides legal consultations to the functional Functions and Divisions, involvement in legal negotiations of operations/transactions, legal watch, staff training, standard contract modelling, legal policies and procedures issuing, the collaboration to decision-making bodies and procedures as required by the Bank's governance rules. The Legal Function systematically takes part in the process of approving new products, activities and uses in major commitment decisions.

In 2021, the Legal function continued to improve its permanent control and legal risk monitoring system, in particular through the following actions:

- updating its operational risk map;
- updating its control plan;
- following up and implementing the recommendations of the Group Control and Audit Department and more specifically those resulting from the "Management of legal risks" inspection carried out in early 2021;
- expanding it documentation base, particularly internationally;
- continuing the Innovation project, which is one of the five pillars of its 2022 MTP;

  continuing deployment - within the entire Legal Function and for all its activities - of electronic signatures, both internally with the Bank's Business Lines and externally with counterparties, implementing an electronic document management solution covering the Paris-London scope securing the production of legal documentation with the deployment of a contract automation tool, deploying a new legal watch tool at head office and in New York.

◆ Information System Security and Business Continuity Plan

The protection of the IT system and ability to overcome a large scale accident are essential to defending the interests of Crédit Agricole CIB. Within this framework, two units dedicated to dealing with information security and business continuity issues exist:

- ISS (Information System Security);
- BCP (Business Continuity Plan).

In order to fulfil their permanent control missions, they rely on a network of correspondents in France and abroad.

ISS DIVISION

As regards information security, ISS determines the governance, rules (Information Systems Security Policies), coordinates maintenance of a suitable security level, ensures correct implementation of DRP (Disaster Recovery Plan) systems, management of environments enabling identity control and authorisation management standards, definition of security standards, security scans and audits. ISS also acts as an IT security manager on behalf of Crédit Agricole S.A. on environments that serve Crédit Agricole S.A., in relation with the CISO (Chief Information Security Officer) of that entity. Moreover, systems and applications connected to the internet and internal servers vulnerable to fraud are covered by special, large-scale verifications. ISS also coordinates periodic reviews of employees' access rights to applications.

2021 saw the finalisation of the second component necessary to comply with French regulations and the follow-up of action plans resulting from the various projects in the cyber security programme. The enhancement of Crédit Agricole CIB's main administrative networks, as well as those already operated for the Crédit Agricole Group, has been considered and entrusted to CA-GIP as part of a multi-year programme.

The main achievements and work carried out can be summarised as follows:

- continued improvement of the new tool for monitoring level 1 and 2.1 controls, with international coverage;
- audit and penetration testing of all application resources of the Crédit Agricole CIB Group and Crédit Agricole S.A., whether visible from the Internet or belonging to a regulated scop (regulatory monitoring);
- continued deployment of internet access containerisation tool for back office payment populations;
- deployment of a proactive and behavioural protection tool for workstation environments;
- regular awareness-raising sessions for existing employees and systematic sessions for new employees, with for example awareness-raising sessions in all Business Line Management Committees. Moreover, the 24 additional awareness-raising sessions was set up for persons having failed phishing exercises (12 in French and 12 in English), and an e-learning module was made available on how to detect phishing attempts, etc.;
- campaigns by managers to re-certify the access credentials of all employees (more than 130,000 access credentials) (all access credentials to sensitive applications recertified, around 900 applications, with security exemptions also taken into account);
- deployment of the tool used to industrialise access credentials recertification campaigns;
- continued deployment of strong authentication (token and certificate holding access cards) on the payment applications scope;
- initiation of a pilot phase on the application of strong authentication to workstations;
- continued roll-out of NAC (Network Access Control) with the Asia region;
- deployment of technical account management Workflow tools to manage requests and life cycle of the accounts;
- deployment of a new identity and authentication management platform to replace the old architecture (new Usignon platform, deployment in conjunction with the implementation of applications for customers);
- effective resumption by the CA-GIP/COC teams of Crédit Agricole CIB SOC SIEM with the finalised migration to the Group solution;
- integration of new code analysis tools in CI/CD chains, multi-year "Security by Design" approach. Doubling of the scope of applications covered;
- reinforcement of the Crédit Agricole CIB IS compliance management system with French and international regulatory requirements;
- roll-out of a portal and mainframe authentication chains;
- creation of a technical test environment to assess the capacity to rebuild application chains in the event of a disaster.

Multiple projects are scheduled for finalisation in 2022 (EDR, Network Access Control for EMEA, DLP with deployment in the Americas, continuing deployment of Internet access containerisation tools, deployment of strong authentication on workstations, authorisation enhancement programme, deployment of a new identity management platform for customers).

BUSINESS CONTINUITY PLAN (BCP)

In business continuity matters, the BCP Division defines the governance and business continuity policies for the entire Group. For the head office, the BCP Division puts redundancy measures in place to ensure that business is able to recover within the time required by the business lines in the event of an incident. It supports its correspondents in the international network to ensure that business continuity systems meet the standards defined by the head office and by local regulators. Annual tests are carried out to verify Crédit Agricole CIB's recovery capacity both in France and internationally and to validate the mechanism.

The aim of these systems is to ensure the safety of employees, by adopting special protective measures, and to ensure the continuity of the Bank's essential business activities. An annual assessment verifies the effectiveness of the business continuity system. The BCP Division reports on Crédit Agricole CIB's level of security at a quarterly committee meeting chaired by the Deputy Chief Executive Officer in charge of IOS (IT & Operations Services).

As in 2020, 2021 was dominated by the health crisis, which was managed without any major incidents thanks to our BCP systems:

- regular monitoring of employee location (home/production site/back-up site);
- activation, when necessary, of back-up sites, thus enabling critical teams to be divided;
- massive use of teleworking.

The health crisis did not prevent operational maintenance being carried out on the BCP in 2021 either at the Head Office or in the international network. Such work covered:

- a review of the sizing of the fall-back systems through the BIA (Business Analysis Impact) campaign;
- user back-up and IT recovery tests with the stoppage of one Datacentre, recovery on the emergency DC, and end-to-end processes, to ensure the correct functioning of all the applications associated with these processes. The results of the tests carried out confirmed the operational nature of our continuity systems.

In terms of outsourcing projects (outsourcing, cloud, etc.), BCP is involved in defining and validating the service providers' backup solutions.

The main objectives for 2022 will be:

- to establish a new head office back-up strategy in the event of the unavailability of local working environments, staff or the mass unavailability of workstations;
- to continue awareness-raising and communication initiatives involving all of the Bank's employees;
- to improve the resilience of the IT Disaster Recovery Plan in collaboration with GIT and in particular to review our backup solutions in the event of the unavailability of the information system.

THIRD-DEGREE CONTROLS

◆ Periodic controls

The Group Control and Audit Department carries out periodic controls on Crédit Agricole CIB at all entities falling under its consolidated scope of supervision. The Group had 146 audit employees, 58 of whom were based at head office at the end of 2021.

As a third line of defence, the Group Control and Audit Department:

- analyses the control mechanisms referred to in Article 12 of the Decree of 3 November 2014 and Article 13 of the Decree of 6 January 2021, and those ensuring the reliability and accuracy of the financial, management and operational information of the areas audited;
- ensures that the actual risk level is controlled (identification, recording, control, hedging), particularly credit, market and exchange rate risks, liquidity, global interest rate-risk, intermediation risk, payment-delivery risk, and the various components of operational risk, including the risk of internal or external fraud, the risk of discontinuation of operations, legal and non-compliance risk and those mentioned for the first time in the aforementioned decree (basis risk, dilution risk, securitisation risk, systemic risk, model risk and excessive leverage risk);
- ensure that transactions are compliant;
- ensures that procedures are followed;
- ensures that the corrective measures decided upon are correct implemented;
- assesses the quality and effectiveness of operations.

The Group Control and Audit Department may also conduct investigations when significant internal or external fraud is suspected or confirmed.

Crédit Agricole CIB's Group Control and Audit Department is part of the Crédit Agricole S.A. Group's Internal Audit Business Line (LMAI). Therefore, the Head of Crédit Agricole CIB's Group Control and Audit Department reports directly to the Head of Crédit Agricole S.A.'s Group Control and Audit Department and functionally to Crédit Agricole CIB's Deputy Chief Executive Officer. The Head of the Group Control and Audit Department benefits from unrestricted access to Crédit Agricole CIB's Executive Management and the Risk and Audit Committees of the Board of Directors. Moreover, the Group Control and Audit Department has no responsibility or authority over the activities it controls, which guarantees its independence.

In carrying out its work, the Group Control and Audit Department is structured into global business lines. The Group Control and Audit Department's teams are based at head office and some international entities and/or subsidiaries. All Crédit Agricole CIB internal audit teams report hierarchically to the Head of the Group Control and Audit Department, unless prohibited by local laws or regulations, in which case the local internal audit is functionally supervised by the Group Control and Audit Department.

During the 2021 financial year, the Group Control and Audit Department's audits covered various entities and units in France and abroad on a single-entity or single-subsidiary basis, reviews of business lines and thematic or cross-functional audits, including IT and regulatory audits. The Group Control and Audit Department also carries out specific missions at the request of Crédit Agricole CIB's Executive Management, its Risk Committee or the Group Control and Audit Department.

Auditing work essentially stems from the annual audit plan determined using an updated risk mapping approach as well as information provided by Executive Management, the other control functions, Crédit Agricole CIB's statutory auditors, the risk and audit committees of the Board of Directors, as well as the objectives of Executive Management in terms of internal control and the instructions of the Board of Directors. The Head of the Group Control and Audit Department submits the annual audit plan for the pre-validation of Crédit Agricole's Head of General Inspection. It is then presented to the Internal Control Committee before being examined by the Board of Directors' Risk Committee at a joint meeting with the Board of Directors' Audit Committee. The audit plan is then approved by the Board of Directors.

For work with a global scope or work the conclusions of which are deemed globally relevant, a summary is sent to the Chairman of Crédit Agricole CIB's Board of Directors, Crédit Agricole CIB's Executive Management and the head of Crédit Agricole's Control and Audit Department. A summary of the main conclusions of the audit reports is presented to the Risk Committee and Crédit Agricole CIB's Board of Directors by the Head of the Group Control and Audit Department or their representative, and to the Board of Directors and/or the internal control committees of the controlled departments, as relevant.

The work carried out by the Group Control and Audit Department and by any external auditing team is subject to a formalised system in which recommendations are monitored. The progress made in implementing the recommendations is monitored by the Group Control and Audit Department:

- at least twice a year during monitoring assignments;
- during thematic monitoring of audit assignments, or as part of investigations conducted as part of a planned audit;
- at the request of a department via an "open-ended" process, in close partnership with its permanent Controller. This process allows the progress of action plans to be recorded between two semi-annual follow-ups.

Ad hoc committee meetings to escalate recommendations by business line were also held in 2021 in the presence of Executive Management, the head of the Group Control and Audit Department, the head of the department, business line or support function, along with its permanent controller. They aim to review the state of progress of implementation of the most sensitive recommendations.

The results of the follow-up of the recommendations are presented to Crédit Agricole CIB's Internal Control Committee. Where necessary, this process results in the Head of the Group Control and Audit Department exercising his duty to alert the Board of Directors and the Board of Directors' Risk Committee pursuant to Article 26 b) of the Decree of 3 November 2014.

In accordance with the organisational arrangements shared with the entities of the Crédit Agricole Group, described above, and with the arrangements and procedures within Crédit Agricole CIB, the Board of Directors, Executive Management and Crédit Agricole CIB's relevant units are given detailed information about the internal control and risk exposure, the progress made in these areas, and the state of implementation of the adopted remedial measures, as part of an ongoing improvement approach. This information is contained in the Annual report on internal control, risk measurement and risk supervision, but also in regular reporting documents covering business activities, risk and control.

2.4. CREDIT RISKS

A credit risk occurs when a counterparty is unable to fulfil its obligations and when the book value of these obligations in Crédit Agricole CIB Group's records is positive. The counterparty may be a bank, an industrial or commercial corporate, a government or government entity, an investment fund or an individual.

The exposure may be a loan, debt security, title deeds, performance swaps, guarantees given, unused confirmed commitments or market transactions. The risk also includes the settlement risk inherent in any transaction entailing an exchange of cash or physical goods outside a secure settlement system.

Credit risks were the subject of a taxonomy established at Crédit Agricole Group level and adapted for Crédit Agricole CIB, which is presented in the preamble to the "Risk Factors" section. This taxonomy is used below.

2.4.1 Objectives and policy

Risk-taking in Crédit Agricole CIB is done through the definition of risk strategies approved by the Strategy and Portfolio Committee (CSP), chaired by Executive Management. The risk strategies are set for each country, business/product line or sector carrying a significant risk for the Bank within the scope of control of Crédit Agricole CIB. They aim to define the principal risk guidelines and to establish the risk budgets within which each business line or geographical entity must conduct its activities, and cover: industrial sectors included (or excluded), type of counterparty, nature and duration of transactions and activities or authorised product types, category or intensity of risks incurred, existence and value of guarantees, overall portfolio volume, definition of individual and overall risk level, diversification criteria.

By establishing a risk strategy for each scope deemed significant by Crédit Agricole CIB, the Bank is able to define its risk appetite and quality criteria for the commitments that it subsequently makes. It also prevents undesirable excessive concentrations and allows the risks associated with the portfolio to be diversified.

Concentration risks are managed by using specific indicators for certain portfolios that are taken into account when granting loans (individual concentration grid). Concentrations are then monitored a posteriori for the affected portfolios, by analysing the quantitative measure assigned to this use, based on the Bank's internal model.

Finally, portfolios are actively managed within Crédit Agricole CIB to reduce the main concentration risks and also to optimise its uses of shareholders' equity. FIN/EXM uses market instruments such as credit derivatives or securitisation mechanisms to reduce and diversify counterparty risks. The management of credit risk using derivatives is based on the purchase of credit derivatives on single exposures (see "Basel III Pillar 3 Disclosure" Credit risk mitigation mechanism - Use of credit derivatives section). Use of the securitisation mechanism is described in "Basel III Pillar 3 Disclosure". Similarly, credit syndication with external banks and the attempt to hedge risks (credit insurance, derivatives, MRPAs, etc.) are other solutions used to mitigate concentrations.

More specifically, with regard to counterparty risk in market transactions, the policy on the establishment of credit reserves for this type of risk is similar to credit risk with, for "performing" exposures, a CVA (Credit Valuation Adjustment) risk assessment mechanism economically comparable to a collective provision, and for customers in default an impairment appropriate to the derivative's situation and taking into account the existence of the CVA established before default.

In the event of default, the depreciation is assessed in accordance with the same principles as those governing the credit risk provisioning policy: expected loss amount depending on the derivative instrument rank in the waterfall, taking into account the CVA process, with two possible outcomes: either derivatives are left in place (CVA or individual provision), or they are terminated (individual write-off).

2.4.2 Management of credit risk

GENERAL PRINCIPLES OF RISK-TAKING

Credit decisions are based on the upstream risk strategies that are described above.

Limits are set for all counterparties and groups of counterparties, in order to control the amount of commitments, irrespective of the type of counterparty (corporate, sovereign, banks, financial institutions, local authorities, SPVs, etc.). Authorisations vary according to the quality of the risk, assessed by an internal rating of the counterparty. The credit decision must form part of the formally approved risk strategies.

Second-degree controls on compliance with limits are carried out by the "Risk and Permanent Control" Department, supplemented by a process for monitoring individual and portfolio risks, notably to detect any deterioration in the quality of counterparties and Crédit Agricole CIB's commitments as early as possible.

If the risk has deteriorated significantly since the date that a commitment was established, the impairment policy under IFRS 9 provides for an increase in the hedging of the commitment in the form of a provision.

New transactions are approved in accordance with a decision-making process based on two front office signatures, one from a manager authorised to make such a request and the other from a manager with the authority to make a credit decision.

The decision is supported by an independent opinion by the RPC approved by an authorised RPC signatory and must take Basel II parameters into account, including the internal rating of the counterparty and the predictive Loss Given Default (LGD) attributed to the proposed transactions. An ex ante calculation of profitability must also be included in the credit file. In the event that the risk management team's opinion is negative, the decision-making power is passed up to Front Office delegatee who chairs the immediate higher committee.

▶ Comparison between internal ratings and those of rating agencies

Groupe Crédit Agricole	A+	A	B+	B	C+	C	C-	D+	D	D-	E+	E	E-
Moody's equivalent	Aaa	Aa1/Aa2	Aa3/A1	A2/A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1/B2	B3	Caa/Ca/C
Standard & Poor's equivalent	AAA	AA+/AA	AA-/A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/CC/C

METHODOLOGIES AND SYSTEMS USED TO MEASURE AND EVALUATE RISK

◆ Internal rating system

The internal rating system covers all methods, procedures and controls used to calculate credit risk, borrower ratings and loss given default figures for all of our exposures.

In late 2007, Crédit Agricole CIB received authorisation from the French Regulatory and Resolution Supervisory Authority (ACPR) to use its internal credit risk rating system to calculate regulatory capital requirements.

The methods used cover all types of counterparty and combine quantitative and qualitative criteria. They are developed by calling on the expertise of the various financing business lines of Crédit Agricole CIB or the Crédit Agricole Group if they cover clients shared by the entire Group. The rating scale has 15 positions. It has been established on the basis of a segmentation of risk so as to provide a uniform view of default risk over a full business cycle. The scale comprises 13 ratings (A+ to E-) for counterparties that are not in default (including 3 ratings for counterparties that have been placed under watch) and 2 ratings (F and Z) for counterparties that are in default.

The relevance of ratings and reliability of data used are assured through a process of initial validation and maintenance of internal models, based on a structured and documented organisation applied to the Group and involving the entities, the Risk and Permanent Control Department and the Audit-Inspection business line.

All internal models used by Crédit Agricole CIB were presented to the Standards and Methodology Committee (CNM) for validation prior to an internal audit and rating by the Group Control and Audit Department. They were also validated by the ACPR on 1 January 2008. In addition, a new internal model review system has been in place since 2014. Each change in internal model is now subject to a second review by the Group Risk Department's validation team before even being presented for validation to the CNM.

Internal ratings of companies are monitored under a system common to the entire Crédit Agricole Group, serving to guarantee a uniform rating within the Group and to organise backtesting on shared customers.

Crédit Agricole CIB has ensured that the risk parameters required by Basel II, allowing the calculation of capital requirements, are used as part of the Bank's internal management. They are used by all people involved in the process of granting loans and measuring and monitoring credit risks.

The data used for granting loans and determining ratings is monitored every two months by a Basel Requirements Review Committee. This committee, coordinated by the Risk Management Department and attended by representatives of all business lines, monitors a set of indicators concerning the quality of the data used for rating purposes, as well as the calculation of other Basel II parameters when granting loans, such as loss given default (LGD), credit conversion factor (CCF), risk reduction factor (RRF), etc. This committee strengthens the implementation by the business lines of the Basel II system and, where necessary, decides on corrective actions when anomalies are detected. It provides important help in checking that the Basel II system is used properly by the business lines.

◆ Backtesting system

Backtesting aims to ensure the robustness, performance and predictive power of the Bank's internal models over time. It also serves to detect significant changes in the structure and behaviour of portfolios and clients. It then leads to decisions to adjust or even recast models in order to take account of these new structural elements.

On the backtesting of the PD (Probability of default) scope, the following analysis is carried out:

- consistency between observed long run average (LRA) default rates and the master scale PDs (based on the calculation of a confidence interval around the LRA default rate);
- analysis of defaults (including discriminating power and more qualitative analysis in the case of low default portfolios (LDPs);

- stability of ratings over time (both in terms of distribution of the portfolio's ratings and of one-year changes in the portfolio's ratings);
- analysis of the model parameters (analysis of variables involved in determining ratings, correlations, changes to various intermediate ratings, etc.).

The main objective of the LGD backtesting that is carried out is to regularly compare for all LGD models in IRBA:

- predictive LGDs: LGDs assigned by the internal model to transactions within Crédit Agricole CIB's portfolio on a given date;
- and historic LGDs:
  - LGDs derived from recovery histories following default, for closed and open files with a maturity in excess of the maximum recovery period;
  - LGDs calculated using recovery histories following default and estimated future recoveries, for open files with a maturity of less than the maximum recovery period.

The risk horizon set by the regulator is one year; the predicted LGDs associated with the transactions should therefore be compared, one year prior to default, with historic LGDs.

The nature of LGD models and the volume of defaults being different for each LGD scope, LGD backtesting studies are adapted to each scope. At the very least, the LGD backtesting of a scope will compare the predictive and historical LGD quantitatively and or qualitatively based on volumes.

There are three main types of LGD scopes detailed as follows:

- the specialised financing scope: in relation to the financing of assets (Aeronautics, Real Estate/Hotels, Rail and Shipping), predictive LGD is obtained using a theoretical model based on the diffusion of asset values, unlike project financings, transactional trading and structured commodities, for which predictive LGD is obtained from a grid specific to each model and based on the quality of the sponsor, the asset's liquidity, the recourse phases in relation to the goods or the final buyer;
- the unsecured corporate, bank and sovereign financing scope: the predictive LGD is obtained using an LGD grid specific to each scope (corporate, bank, insurance, etc.) involving third-party variables such as business sector, level of turnover, risk country, etc.;
- the secured corporate, bank and sovereign financing scope: the predictive LGD is obtained by applying Risk Reduction Factors to the elements secured by a personal guarantee or by collateral and using the unsecured LGD grids for the non-secured elements.

The backtesting of default rates carried out on Crédit Agricole CIB's Large Clients portfolio in 2021 thus ensures the relevance of PD models. The one-year estimated PD is confirmed by the default rates actually observed over the period in question, and an even greater period.

For models within its area of responsibility, Crédit Agricole CIB reports back to the Group annually on the backtesting results, through both the Validation Technique Committee and the CNM, thereby confirming the proper application of the selected statistical methods and the validity of the results. The summary document recommends, where necessary, appropriate corrective measures (methodology review, recalibration, training effort, control recommendations, etc.).

Credit risk measurement

The measurement of credit risk exposures covers both drawn facilities and confirmed unutilised facilities. To measure counterparty risk on capital markets transactions, Crédit Agricole CIB uses an internal method for estimating the underlying risk of derivative financial instruments such as swaps and structured products.

Counterparty risks in capital market activities are assessed for potential risk linked to fluctuations in the market value of derivative instruments for the remainder of their life. This is determined according to the nature and remaining maturity of agreements, based on a statistical observation of changes to underlyings. When the netting and collateralisation agreements with the counterparty allow, counterparty risk is measured for the portfolio net of eligible collateral. This method is used for the internal management of counterparty risks.

To reduce exposure to counterparty risks, Crédit Agricole CIB implements netting and collateralisation agreements with its counterparties (see section 2.4.4 "Credit risk mitigation mechanism").

The figures on credit risks are presented in section 2.4.5 et seq. of this chapter and in Note 3 to the consolidated financial statements (cf. Chapter 6 "Consolidated financial statements at 31 December 2021" of the present Universal Registration Document).

Concentration risks

Decision-making and individual risk monitoring within Crédit Agricole CIB are backed up by a portfolio risk monitoring system that enables the Group to assess counterparty risks for its overall portfolio and for each of the constituent sub-portfolios, according to a breakdown by business line, sector, geographic region, or any delineation that brings out specific risk characteristics in the overall portfolio.

In principle, portfolio reviews are carried out yearly on each significant scope in order to check that the portfolio is consistent with the risk strategy in force, to assess the various segments of the portfolio against one another and against any aspects of the operating environment or external factors that may be influencing them.

Different tools have been implemented to detect any concentration deemed to be excessive for the entire portfolio, sub-portfolios or at a unit level:

- unit concentration scales were implemented to give reference points according to the nature, the size, the rating and the geographic region of the counterparty. They are used in the granting process, and subsequently applied periodically to certain portfolios to detect concentrations which may later appear excessive;
- regular monitoring and ad hoc analysis are regularly carried out on sectoral and geographical concentrations with recommendations for action then made. Concentration risks may be taken into account to analyse the risk strategies of the business lines or geographic entities;
- information is fed back to Executive Management where necessary on the concentration status of the portfolio.

Crédit Agricole CIB uses credit risk modelling tools and in particular an internal portfolio model that calculates risk indicators such as: average loss, volatility of potential losses and economic capital. Average loss and volatility figures enable Crédit Agricole CIB to anticipate the average risk-related cost in its portfolio, and changes therein. Economic capital is an additional measurement of Basel II regulatory capital, to the extent that it allows a more detailed view of the portfolio through a correlation model and parameters calibrated using internal data bases.

The internal portfolio model also takes into account the impact of protection (Credit Default Swaps, securitisations) purchased by Crédit Agricole CIB's Credit Portfolio Management unit. Finally, it measures the effects of concentration and diversification within our portfolio. These effects are studied based on individual and geo-sectoral criteria.

Stress scenarios are the final type of counterparty risk assessment tool. They are regularly produced to estimate the impact of economic scenarios (central, adverse) on some or all parts of the portfolio.

◆ Sector concentration risk

Crédit Agricole CIB's portfolio is analysed by major industrial sector at regular intervals. Risks within each sector in terms of commitments, level of risk (expected loss, economic capital) and concentration are examined.

Concentration is assessed on two levels: idiosyncratic and geosectoral. The detail of these analyses can be increased depending on the analyst's needs.

Meanwhile, the economic and financial risks of each significant sector are analysed and leading indicators of deterioration are monitored.

Specific stress scenarios are also prepared where necessary, for instance during the strategic review of an entity of the Bank.

In the light of these various analyses, measures to diversify or protect sectors at risk of deterioration are recommended.

◆ Country risk

Country risk is the risk that the economic, financial, political, legal or social conditions of a foreign country will affect the Bank's financial interests. It does not constitute a different type of risk from "basic" risks (credit, market, operational), but rather an aggregation of the risks resulting from vulnerability to a specific political, social, macroeconomic and financial environment.

The system for assessing and monitoring country risk within Crédit Agricole CIB is based on a proprietary rating methodology. The internal rating assigned to each country is based on criteria of financial strength of the country's government, banking system and economy, capacity and willingness to pay, governance and political stability.

Any regions in which we plan to do business are subject to the implementation of a risk strategy ad initio. Therefore, any region in which authorisations are used must have a previously validated country limit. Risk strategies, validated by the appropriate committee, define country limits. These are defined as often as necessary and generally once a year.

This approach is supplemented by scenario analyses aimed at testing the impact of adverse macroeconomic and financial assumptions and provide an integrated view of the risks to which the Bank could be exposed in situations of extreme stress.

The scenarios defined by the ECB are analysed.

The Group's country risk management and control audits are based on the following principles:

- acceptable exposure limits in terms of country risk are determined when country strategy reviews are performed, based on the assessment of the portfolio's degree of vulnerability to the materialisation of country risk. This degree of vulnerability is determined by the nature and structure of the transactions, the quality of the counterparties and the duration of the commitments. These exposure limits may be reviewed more frequently if made necessary due to developments in a given country. These strategies and limits are validated according to risk issues by the "Strategies and Portfolios" Committees (CSP) of Crédit Agricole CIB and the Group Risk Committee (CRG) of Crédit Agricole S.A. in addition to being validated by the Board of Directors of Crédit Agricole CIB;
- A country risk system is maintained by the institution and the rating of each country/region in which the Group holds commitments or interests is updated every six months. Specific types of events may call for a review of the rating outside this schedule.

Within the Risk and Permanent Control Department, the entity in charge of country risk must issue an opinion on transactions whose size, maturity or degree of intensity in respect of country risk are liable to affect the quality of the portfolio using a grid: supervision and management of exposure to country risk, both from a quantitative (amount and duration of exposure) and qualitative (vulnerability of the portfolio) standpoint, thanks to specific and regular reporting on all country exposures.

Exposures to sovereign risk are detailed in Note 6.7 to the consolidated financial statements.

◆ Counterparty risk in market transactions

Derivatives and repo transactions carried out by Crédit Agricole CIB as part of its capital market activities generate a risk of credit in relation to the counterparties to the transaction. Crédit Agricole CIB uses an internal methodology to estimate the inherent risk in these instruments, taking a net portfolio approach at the level of each client:

- current risk corresponds to the sum owing by the counterparty in the event of instantaneous default;
- potential future risk is the estimated maximum value of Crédit Agricole CIB's exposure within a given confidence interval.

The methodology used is based on "Monte Carlo" type simulations, enabling the risk of change over the derivatives' remaining maturity to be assessed based on statistical modelling of the change in underlying market parameters.

The model also takes account of various risk mitigation factors such as the netting and collateralisation arrangements provided for in the documentation negotiated with counterparties prior to transactions being carried out. It also includes exchanges of collateral on the initial margin for non-cleared derivatives, in accordance with the thresholds in force.

Situations with a specific risk of unfavourable correlation (risk that an exposure to a derivative is positively correlated with the counterparty's probability of default as a result of a legal link between this counterparty and the underlying of the derivative) are monitored regularly to identify and integrate such risks in the exposure measurement as recommended by regulations. Situations with a general risk of unfavourable correlation (risk that market conditions have a correlated effect on a counterparty's credit quality and derivative exposures with this counterparty) are monitored through ad hoc exercises in 2021. The internal model is used to manage internal limits on transactions with each counterparty and to calculate Basel II Pillar 2 economic capital via the average risk profile (Expected Positive Exposure) using a global portfolio approach.

As allowed by the regulatory framework, the French Regulatory and Resolution Supervisory Authority (ACPR) authorised Crédit Agricole CIB, on 31 March 2014, to use the internal model method to calculate its capital requirements in respect of counterparty risk. This method uses the model described above to determine Effective Expected Positive Exposure (EEPE) and is applied to all derivatives. The same method is used to calculate the value exposed to credit risk for capital requirement purposes to address the risk of credit value adjustment.

Crédit Agricole CIB uses the standard approach for the calculation of regulatory capital requirements in respect of counterparty risk on repo transactions and derivative transactions by its subsidiaries.

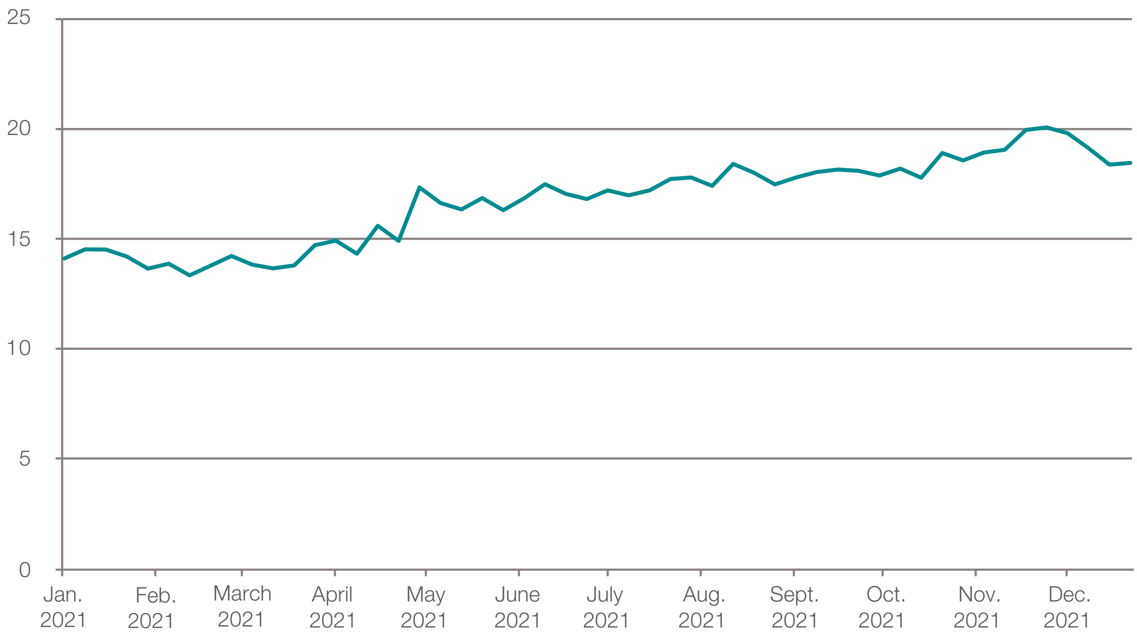
Credit risk associated with these market transactions is managed in accordance with rules set by the Group. The policy on setting counterparty risk limits is identical to the policy described in "Credit risk management General principles of risk taking" (see "Risk Management" section 2.4.2 Credit risk management). The techniques used by Crédit Agricole CIB to reduce counterparty risk on market transactions are described in "Credit risk mitigation mechanisms" (see "Basel III Pillar 3 Disclosure" section 3.2.4.2).

In determining the fair value of derivatives, Crédit Agricole CIB incorporates the measurement of counterparty risk on derivative assets (Credit Value Adjustment or CVA); this value adjustment is described in consolidated note 1.2 on accounting principles and methods and 11.2 on information on financial instruments measured at fair value.

The charts below show the changes in CVA VaR and CVA stressed VaR over 2021.

▶ 1-day CVA VaR for a 99% confidence interval (€ million)

▶ 1-day CVA stressed VaR for a 99% confidence interval (€ million)



The gross positive fair value of the contracts, the benefits of netting and collateral held and the net exposure to derivatives after netting and collateral are detailed in consolidated note 6.9 on the netting of financial assets.

2.4.3 Commitment monitoring system

MONITORING SYSTEM

The first-degree controls on compliance with the conditions that accompany a credit decision are carried out by the Front Office. The Risk and Permanent Control Department is in charge of second level controls.

Commitments are monitored for this purpose, and portfolio business is constantly monitored in order to identify at an early stage any assets that might deteriorate. The aim is to adopt practical initiatives as early as possible so as to protect the Bank's interests.

Commitment monitoring methods

The main methods used in this monitoring are:

- day-to-day controls on credit decision compliance, in terms of amount and maturity date, for commercial transactions as well as capital market transactions, for all types of counterparty and all categories of counterparty risk encountered (in the market activities scope: risk of change, delivery, issuer, cash, intermediation, initial margin and default funds with clearing houses for the capital market scope, loan syndication risk and late payment for the financing scope, etc.);
- the presentation of detected anomalies at the committee meetings to which the relevant Business Lines and Risk & Permanent Control (RPC) departments contribute;
- breaches are monitored and may give rise to corrective measures and/or special monitoring with the Business Lines. The frequency of these committee meetings varies depending on the scope: bimonthly for the market transactions scope and quarterly for the financing transactions scope;
- communication to Executive Management of a monthly summary and a quarterly presentation to the Internal Control Committee on anomalies for the market scope.

Permanent monitoring of portfolio businesses

Several bodies permanently monitor portfolio businesses, to detect any possible deterioration or any risk concentration problem as early as possible:

- monthly "Early warning" meetings are held, which endeavour, by various means, to identify early signs of potential deterioration in loans which are healthy but deemed sensitive, in order to reduce or cover the risk exposure;
- quarterly reviews of major risks are carried out, regardless of the nature of the borrowers in question;
- regular research on excessive unit, sector and geographic concentrations is carried out;
- a risk situation is established for counterparty risks on market transactions (variation risk calculated under normal and stressed market conditions), issuer risks, risks on bond repos, and guarantee risks on credit derivatives. Reports on risk management relating to the unfavourable correlation risk on credit derivatives, equity derivatives, mandatory repos and equity loans and borrowing are also produced. These documents are presented to and analysed in the committees dedicated to such matters.

These steps result in:

- changes to the internal ratings of counterparties, which are, where necessary, classified as "sensitive cases";
- practical decisions to reduce or cover at-risk commitments;
- loans and receivables possibly being transferred to the specialised collections unit.

Identification of forbearance measures

Since 2014, Crédit Agricole CIB has identified in its information systems the outstanding amounts that have been the subject of a "forbearance" measure, as defined in Article 47b of Implementing Regulation 2019/630 of the European Parliament and of the Council. A pre-identification procedure is first carried out, during the loan approval process, in which Crédit Agricole CIB studies its clients' credit restructuring requests. Once the forbearance measure has actually been implemented, the outstanding amounts subject to the forbearance measure are declared as such, regardless of their internal rating or their status (performing or non-performing). If the forbearance measure results in a reduction of 1% or more in the present value of the restructured outstandings calculated at the original effective interest rate, it is classified as an "emergency restructuring", a reason for a Basel default. Outstanding amounts are no longer reported as having been the subject of a forbearance measure after verification at an annual review or an ad hoc credit committee meeting that they meet the exit conditions defined in the aforementioned regulation.

Outstanding amounts subject to a forbearance measure are reported in Note 3.1 to the consolidated financial statements. A forbearance measure indicates a significant deterioration in credit risk under IFRS 9. The accounting principles that apply to these outstanding amounts are described in Note 1.3 to the consolidated financial statements.

SENSITIVE CASE MONITORING AND IMPAIRMENT

Sensitive cases, whether "under Special Supervision" or bad debts, are closely monitored by the entities, and enhanced surveillance is carried out on a regular basis.

This review takes the form of quarterly sensitive case committee meetings chaired by the Risk and Permanent Control Manager - Sensitive Cases and Impairment, which review the classification of these cases as sensitive cases and determine whether they should be transferred to a specialised team (DAS, UGAM for ship financing or SGADS for aircraft financing) and the appropriate level of specific impairment which is reported to Executive Management, which must validate it and then transfer it to Crédit Agricole S.A..

The definition of default that is used complies with the provisions of European Regulation No. 575/2013 of 26 June 2013. Stringent default identification processes and procedures have been put in place on these bases. These are updated as and when regulations change, and were updated at the end of 2019 to incorporate European Banking Authority Guidelines No. 2016-07.

STRESS SCENARIOS

Credit stress tests are carried out to assess the potential impact the Bank may face (in terms of loss, provisioning and capital) in the event of a serious deterioration in the economic and financial environment.

There are three categories of stress test:

- the first aims to reflect the impact of a macroeconomic deterioration affecting the entire portfolio in terms of cost of risk, regulatory capital requirements and impact on the solvency

ratio. Such a scenario is mandatory as part of the strengthened prudential supervision required under Pillar 2 of Basel II. Since 2014, this has been led by the ECB and the EBA, with the aim of testing the financial solidity of the banks and/or the banking system as a whole. Since 2016, the results of the regulatory stress tests are taken into account in the calibration of capital requirements under Pillar 2;
- the second takes the form of budget simulations and aims to stress-test the central budget of the bank on the basis of an economic scenario communicated by Crédit Agricole S.A. in the budget process;
- the third involves targeted stress tests on a particular sector or geographical zone that constitutes a homogeneous group in terms of risks. This type of stress test is carried out on a case-by-case basis as part of the management of risk strategies. It provides an insight into losses and/or capital requirements in the event that an adverse scenario defined for the specific purposes of the year should materialise; thus, the selected strategy and notably the amount of the requested budgets may be challenged in light of the creditworthiness of the portfolio to date, and the impact of economic situations potentially adverse to the portfolio in question may also be taken into account. Sensitivity tests may be carried out in addition to these stress tests.

The economic scenarios used for the projection of risk parameters have been adapted to factor in the beginning of the end of the pandemic. The central scenario included the lifting of mobility restrictions from mid-2021 and a return to pre-crisis levels of activity by mid to late 2022 depending on the business sector.

The adverse scenario addressed economic overheating, which generated significant inflation in the United States as well as economic deterioration in France amid the presidential elections.

2.4.4 Credit risk mitigation mechanism

COLLATERAL AND GUARANTEES RECEIVED

Crédit Agricole CIB requires guarantees and collateral from a significant number of its counterparties to reduce its risks on both financing and market transactions.

The Basel II eligibility principles on accepting and managing guarantees and collateral are defined by the Crédit Agricole Group's Standards and Methodology Committee.

This common framework ensures a consistent approach across the Group's various entities. The committee documents aspects including the regulatory treatment, valuation and revaluation methods and all credit risk mitigation techniques used within the Crédit Agricole CIB Group. Crédit Agricole CIB then devises its own operational procedures and arrangements for the detailed management of these guarantees and collateral.

Commitments given and received are described in Note 9 to the consolidated financial statements.

USE OF NETTING AGREEMENTS

In accordance with the recommendations of the Basel Committee and the CRD IV European Directive on regulatory capital, the French Regulatory and Prudential Supervisory Authority (ACPR) requires strict compliance with several conditions in order to trigger close-out netting and for it to be included in the calculation of a financial institution's capital requirements.

These conditions include: Crédit Agricole CIB obtaining recent written and reasoned legal opinions as well as proceedings "in order to ensure at any time the validity of the novation agreement or the netting agreement in the event that applicable regulations are revised".

Close-out netting is defined as the possibility, in the event of default by the counterparty (including in the event of bankruptcy procedures), to terminate ongoing transactions in advance and to be able to calculate a net balance of the reciprocal obligations, using a calculation method stipulated in the contract.

Thus, close-out netting is an early netting mechanism with three stages:

1. early termination of transactions under a "master" agreement in the event of a default or a change in circumstances;
2. calculation of the market value (positive or negative) of each transaction at the date of termination (and the valuation of any collateral);
3. calculation and payment of the net single termination balance including the valuation of the terminated transactions, all collateral and outstanding amounts due (by the party liable for the net amount).

Collateral (or collateralisation) represents a financial guarantee mechanism used in OTC markets, which allows securities or cash to be transferred by way of security or with full title transferred, during the period of the hedged transactions. In the event of default by either party, the collateral will be included in the calculation of the net balance of the reciprocal obligations under the master agreement that has been signed with the counterparty.

The implementation of the close-out netting and collateralisation mechanism is analysed in each country by reference to the type of contract, counterparty and product. Countries are classified as either A or B.

Countries classified as A are those where the laws and regulations are deemed to provide sufficient certainty for the recognition and effective implementation of the close-out netting and collateralisation mechanisms, including in the event of bankruptcy of the counterparty. Conversely, countries classified as B are those where there is a risk that these mechanisms are not recognised or in respect of which no legal opinion has been provided.

The conclusions of these analyses and the proposals of classification by countries are presented for approval at meetings of the Netting and Collateral Policy Committee (or PNC Committee).

USE OF CREDIT DERIVATIVES

Crédit Agricole CIB uses credit derivatives and a range of risk transfer instruments, including securitisation, in managing its banking book (see Basel III Pillar 3 disclosures).

At 31 December 2021, outstanding protection purchased in the form of credit derivatives amounted to €7.2 billion (€6.8 billion at 31 December 2020), the notional amount of the short positions was null (identical to 31 December 2020).

Crédit Agricole CIB trades credit derivatives with around ten top-tier *investment grade*, competent and regulated banks as counterparties. Moreover, 64% of these derivatives are processed through a clearing house (60% at 31 December 2020), which acts as a guarantor of these credit risk hedging transactions. Bilateral transactions (i.e. processed outside the clearing house) are conducted with investment grade counterparties, which are competent and regulated, located in France, the United Kingdom or the United States and which act as guarantors of these credit risk hedging operations. The bank monitors any concentration of risks on these hedging providers outside the clearing house, applying notional limits per banking counterparty, set and reviewed annually by the Crédit Agricole CIB Risk Control Department.

These credit derivative transactions, carried out as part of credit risk mitigation measures, are the subject of a prudent valuation adjustment to cover market risk concentration.

The notional amounts of credit derivative outstandings are included in Note 3.2.2 to the consolidated financial statements "Derivative transactions: amount of commitments" of chapter 6 "Consolidated financial statements at 31 December 2021".

2.4.5 Exposures

MAXIMUM EXPOSURE TO CREDIT RISK

The maximum exposure to an institution's credit risk is the net carrying amount of loans and receivables and debt and derivative instruments before netting and collateral agreements. This is shown in Note 3.1 to the financial statements.

As at 31 December 2021, Crédit Agricole CIB's maximum exposure to credit and counterparty risk was €694 billion, compared with €667 billion as at 31 December 2020.

CONCENTRATIONS

◆ Breakdown of counterparty risk by geographic region (including bank counterparties)

Loans granted by Crédit Agricole CIB net of Export Credit Guarantees and excluding UBAF (i.e. €418 billion at 31 December 2021 compared with €373 billion at 31 December 2020) are broken down by geographic region as follows:

Breakdown in %	31.12.2021	31.12.2020	31.12.2019
Other Western European countries	28.74%	30.69%	29.0%
France	28.49%	24.44%	21.2%
North America	16.72%	17.47%	18.2%
Asia (excluding Japon)	11.81%	11.06%	10.9%
Japan	5.80%	7.46%	11.0%
Africa and Middle East	4.57%	4.46%	4.9%
Latin America	2.09%	2.46%	2.8%
Other European countries	1.76%	1.97%	2.1%
Other and supranational	0.00%	0.00%	0.0%

Source: risks (excluding UBAF, commercial commitments on the balance sheet and off-balance sheet commitments of customers and banks, net of export credit guarantee).

Note 3.1 to the consolidated financial statements also presents the breakdown of loans and receivables and commitments given to customers and credit institutions by geographic region based on accounting data.

The overall balance of our portfolio in terms of distribution between the various geographic areas was stable overall compared to 2020. It should be noted, however, that he shares of commitments in Japan decreased due to the reduction in our deposits with the Japanese central bank. The share of commitments in France increased from 24.4% to 28.5% between end-2020 and end-2021. This can mainly be attributed to the increase in our deposits with the Banque de France, and the implementation of exceptional transactions to support our top French clients during the health crisis, particularly in the automotive and aeronautics sectors.

◆ Breakdown of risks by business sector (including bank counterparties)

At 31 December 2021, loans granted by the Crédit Agricole CIB Group, net of export credit guarantees (excluding UBAF), totalled €418 billion (€530 billion gross), compared with €373 billion in 2020 (€480 billion gross).

The distribution can be broken down by economic sector as follows:

Breakdown in %	31.12.2021	31.12.2020	31.12.2019
Bank	20.27%	18.82%	21.12%
Miscellaneous	16.52%	16.86%	17.13%
O/w Securitisations	9.05%	9.49%	9.97%
Oil & Gas	8.81%	8.80%	9.46%
Other financial activities (non-banking)	6.34%	5.81%	5.53%
Real estate	4.46%	4.57%	4.73%
Electricity	4.71%	4.59%	4.18%
Aerospace/Aeronautics	3.56%	4.25%	3.84%
Heavy industry	3.33%	3.44%	3.46%
Automotive	3.23%	4.04%	2.81%
Maritime	2.59%	2.82%	2.90%
Telecom	2.65%	3.02%	3.32%
Construction	1.95%	2.42%	2.49%
Insurance	2.15%	2.37%	2.08%
Other industries	2.78%	3.08%	2.54%
Other transport	2.21%	2.64%	2.36%
Production & Distribution of Consumer Goods	2.65%	2.66%	2.60%
IT/Technologies	2.14%	1.99%	2.37%
Health/Pharmaceuticals	1.67%	1.75%	1.91%
Agri-food	1.43%	1.61%	1.48%
Tourism/Hotels/Restaurants	1.40%	1.38%	1.18%
Non-commercial services/ Public sector/Local authorities	1.47%	1.78%	1.23%
Media/Publishing	0.50%	0.47%	0.56%
Utilities	2.89%	0.46%	0.42%
Wood/Paper/Packaging	0.29%	0.38%	0.28%
TOTAL	**100.00%**	**100.00%**	**100.00%**

Source: risks (excluding UBAF, commercial commitments on the balance sheet and off-balance sheet commitments of customers and banks, net of export credit guarantee).

The overall balance of the portfolio, in terms of the breakdown between the different sectors, has remained globally stable year-on-year. The following should be noted:

- the rise in our commitments to banks (+21% compared with 31 December 2020) was largely due to the significant increase in our deposits with the Banque de France. At 31 December 2021, our exposures represented €38 billion compared with €23 billion at the end of December 2020 for the Banque de France;
- the majority of the Miscellaneous segment comprises securitisation transactions, mainly liquidity facilities granted to securitisation programmes financed through our conduits; these outstandings were relatively stable in 2021. Other com-

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mitments concern clients with a highly diversified activity (particularly wealth management/financial holding companies);

- the "Oil & Gas" sector is the main component of the "Energy" exposure. This segment brings together a diverse range of underlying assets, companies and financing types, certain of which, such as RBL (Reserved-based Lending, being run down in the US) are usually secured by assets. Most of the exposure in the oil sector relates to operators that are structurally less sensitive to the fall in oil prices (public sector companies, large international companies, transportation/storage/refinery companies). Conversely, clients focused on exploration/production and those dependent on industry investment levels (oil services) are the most sensitive to market conditions. After a severe crisis affecting the oil sector in 2016 and amid oil price volatility observed since the first half of 2020, Crédit Agricole CIB did not record any major problems in its portfolio, which showed good resilience... The "Oil & Gas" sector, already closely watched for several years, is still extensively monitored and is subject to a very selective exposure approach, and any new significant transactions are subject to an in-depth analysis of credit risk and CSR when necessary;
- the "Electricity" sector is another component of "Energy" exposure but has its own characteristics, which are not directly associated with the oil and gas segments. Half of our exposure relates to major integrated or diversified groups;
- the "Property and Tourism" portfolio mainly consists of specialised financings of quality assets granted to real estate investment professionals. Other corporate-based financing is mainly granted to major real estate companies and is often accompanied by interest rate hedges. The balance of Crédit Agricole CIB's commitments includes guarantees issued on behalf of leading French property developers and interest rate hedges for social housing market participants (mainly public sector agencies) in France. The health crisis has weighed heavily on investments and leases. Retails stores have been hit hard by the consequences of lockdowns and the tourism industry has been heavily impacted internationally. Crédit Agricole CIB's portfolio, which was of excellent quality before the crisis, has shown its resilience but remains under close monitoring;
- "Aeronautics" sector financing involves either asset financing of very high-quality assets, or the financing of major, world-leading manufacturers;
- the "Automotive" portfolio has been the focus of special attention since the end of 2018 and is focused mainly on large manufacturers, with limited development in the automotive supplier sector. After a significant increase in our sector commitments in 2020 (+€5 billion vs. 2019), mainly stemming from the establishment of an exceptional budget for a 24-month period intended to help our top clients meet their liquidity needs in the current health crisis, commitments decreased slightly in 2021 and totalled €13.5 billion;
- the current position of the "Shipping" segment is the result of Crédit Agricole CIB's expertise and background in mortgage financing for ships, which it provides to its international ship-owning clientele. After 10 challenging years, shipping has been showing signs of recovery since 2018 and, aided by a major improvement in tonnage supply, saw a sharp rebound in 2021, although it remained uneven and fragile depending on the sector. However, our portfolio remained relatively well protected thanks to its diversification (financing of oil tankers, gas carriers and off-shore facilities, cargo ships, container ships, cruise ships, etc.), and by the quality of its financing structure for ships, secured by mortgage loans and cover from credit insurers;
- the "Heavy Industry" sector mainly includes large global companies in the steel, metals and chemicals sectors. In this sector, commitments to the Coal segment continued to be reduced, in line with Crédit Agricole Group's CSR policy;
- exposure to the "Telecoms" sector fell compared with 2020. The sector has commitments to operators and suppliers. It is mainly made up of corporate financing. The telecommunications sector has shown very good resilience during the Covid-19 health crisis;
- the "Production and distribution of consumer goods" sector mainly comprises large French retailers with a global footprint. Their ratings remain strong despite the competitive environment in which they operate.

Breakdown of outstanding loans and receivables by economic agent

Concentrations by economic agent of loans and receivables and commitments to credit institutions and customers are presented in Note 3.1.5 to the consolidated financial statements.

Outstanding loans and receivables amounted to €252.2 billion at 31 December 2021.

Concentration of the top ten counterparties (clients)

In terms of commitments, excluding export credit guarantees, these accounted for 6.1% of Crédit Agricole CIB's total exposure at 31 December 2021, stable compared to 31 December 2020.

Quality of portfolios exposed to credit risk

At December 31, 2021, performing exposures amounted to €418 billion in net outstanding loans. Their ratings broke down as follows:

Breakdown in %	31.12.2021	31.12.2020	31.12.2019
AAA (A+)	21.72%	21.24%	22.1%
AA (A)	4.18%	4.96%	4.4%
A (B+ and B)	27.14%	27.34%	28.7%
BBB (C+ to C-)	33.02%	32.08%	33.2%
BB (D+ to D-)	10.16%	10.57%	8.9%
B (E+)	1.31%	1.10%	0.5%
Commitments under surveillance (E and E-)	1.02%	1.09%	1.0%

Source: risks (excluding UBAF, commercial commitments on the balance sheet and off-balance sheet commitments of customers and banks, net of export credit guarantee).

In 2021, the quality of the portfolio remained broadly stable compared to 2020. The proportion of *investment grade* ratings held steady at 86% of the portfolio, still reflecting the high quality of the portfolio.

Application of IFRS 9

The principles used to calculate expected credit loss (ECL) are described in the accounting policies and principles (Credit Risk section) which include, in particular, the market inputs, assumptions and estimation techniques used.

In order to calculate expected credit loss in the next 12 months and for the entire remaining life, and in order to determine whether the credit risk of financial instruments has increased significantly since their initial recognition, the Group draws mainly on data used as part of the regulatory calculation system (the internal rating system, evaluation of risk reduction factors and loss given defaults).

Two distinct types of forward-looking macroeconomic information are used when estimating expected loss: central forward-looking information, used to ensure the homogeneity of the macroeconomic vision for all group entities, and local forward-looking information, which can be used to adjust the parameters of the central scenario to take into account Crédit Agricole CIB's specific local characteristics.

In putting together the central forward-looking information, the Group relies on four prospective macroeconomic scenarios drawn up by Crédit Agricole S.A.'s Economic Research Department (ECO), which are weighted based on their expected probability of occurrence. The baseline scenario, which is based on budget assumptions, is supplemented by three other scenarios (adverse, moderate and favourable). Quantitative models for assessing the impact of macroeconomic data on the evolution of ECL are also used in internal and regulatory stress tests.

The economic variables are updated quarterly and contain the factors that affect the Group's main portfolios (for example: change in French and Euro zone countries' GDP, unemployment rate in France and Italy, household investment, oil prices, etc.).

The economic outlook is reviewed each quarter by the IFRS 9 Coordination Committee which brings together the main Group entities as well as any departments of Crédit Agricole S.A. that are involved in the IFRS 9 process.

The central scenario used in the Group's and its entities' central forward-looking forecasting models can be summarised as follows:

The lifting of travel restrictions, particularly in France from Q2 2021, and the rapid ramp-up of vaccination campaigns, led to a sharp rebound in consumer spending and growth from Q2 2021. This trend carried over into 2022, on the back of resilience to the new waves of the epidemic and despite the supply chain disruptions affecting certain sectors.

In line with 2021, inflation will continue to affect the United States and, to a lesser extent, the eurozone.

◆ Impairment and risk hedging policy

Accounting standard IFRS 9 came into effect on 1 January 2018, replacing IAS 39. It specifies the new accounting classification rules for financial assets, redefines the model and principles of credit risk impairment of financial assets, specifies the methods for recognising the effects of credit risk on liabilities, and finally details the new hedge accounting methods.

INDIVIDUALLY IMPAIRED ASSETS

The breakdown by economic agent and geographic area of impaired loans and receivables due from credit institutions and customers is presented in Note 3.1 to the consolidated financial statements. These financial statements describe in detail the impairment on doubtful and irrecoverable loans and receivables.

ECL BUCKET 1 & 2

Impairment for credit risk under IFRS 9 has the following characteristics:

- the impairment applies to all asset transactions recognised at amortised cost or at fair value through equity;
- impairment under IFRS 9 is estimated based on losses expected from the date of origination;
- the ECL estimate is forward-looking, with credit risk parameters that incorporate the bank's outlook on the evolution of the economy and its impact on the portfolio;
- a mechanism for allocating performing exposures to two distinct risk categories known as Buckets 1 and 2: a healthy exposure whose risk deterioration from the beginning is deemed significant will be placed in Bucket 2 resulting in impairment calculated over a horizon equal to the remaining contractual term of the transaction. Conversely, when the deterioration is considered insignificant, the exposure is placed in Bucket 1 and impairment is calculated over a risk horizon of 1 year.

The amount of ECL Buckets 1 and 2 was €1,119 million at 31 December 2021.

◆ Country risk policy

2021 was dominated by the persistence of the global coronavirus pandemic. Emerging and less developed countries continued to present a mixed bag, with all entering a challenging period (though in no particular order) marked by increased uncertainties: ever-present epidemics, inflation, rise in US interest rates, slowdown in China, the end of an export cycle for some, the end of the commodities "super cycle" and supply chain problems.

While emerging countries posted an average contraction of 1% in 2020 (-4.7% excluding China), in 2021 economies were on the verge of returning to pre-crisis activity levels, as is already the case for many.

These countries grew 6% in 2021 and China, which successfully managed the health crisis according to the authorities, was one of the few countries to experience strong growth, reaching 8.2%.

With regard to developed countries, the United States saw a recovery (5.6%) stronger than that of multiple partners, due to very substantial support measures. US growth rebounded in the wake of the slowdown due to the Delta variant in the third quarter. The eurozone was less affected by the fifth wave of Covid thanks to its high immunization coverage rate. Nevertheless, it continued to struggle with supply chain issues (weak supply, shortages) that made its economies more vulnerable to any shocks. Even so, full-year growth reached 5.2% in 2021.

However, the end of the health crisis is proving to be an uneven process, due to significant disparities in the progress of vaccination. Immunization coverage is and will remain one of the main sources of divergence between countries, as it determines the reopening of their economies. This is a key factor that will impact the tourism, aviation and hospitality sectors, which were hit hardest by the pandemic. It has also widened the gap between developed and emerging countries, while also increasing fragmentation in the "emerging world".

The crisis had more devastating and lasting impacts in 2021, particularly in the least developed countries (75 million people estimated to be in poverty), making it difficult to define a global "emerging" scenario. The pandemic has exacerbated existing political tensions. Rising unemployment, deteriorating social indicators and rising income inequality laid fertile ground for political shocks and the spread of social movements, particularly in emerging countries.

Inflation has already picked up significantly, its expected peak has climbed ever higher and its return to central bank targets is now more distant. Global food prices pushed indices higher, along with transport, housing and energy prices (average oil price in 2021: USD 70.7 per barrel, INSEE). Indirect effects multiplied, including impacts on growth, fiscal balances (and thus debt); and with a particular impact on the social and political climate of different countries.

Finally, the vast majority of governments appear to have grown aware of the climate emergency. However, in this area, what works for advanced countries will not always be the best solution for the least developed countries, and each country will have to make its own assessment and define local solutions to build change. The energy transition thus accentuated this fragmentation between advanced and emerging countries and within the emerging world.

Against this overall backdrop, the bank downgraded its ratings. In 2021, 11 countries saw their ratings downgraded and 3 saw them upgraded.

◆ 2022 Outlook[(1)]

2022 should be seing the economic recovery move forward, with persistently robust growth for the **United States** (3.8%) and slowly decelerating yet still robust for the **eurozone**: 4.4% in 2022 to 2.5% in 2023.

The main risk for 2022 is the rise in inflation, above expectations, which could exacerbate growth by eroding purchasing power. Oil, natural gas and electricity prices will remain at high levels, at least in 2022. The year will be divided into two distinct periods. The first half, in which inflation and growth are likely to remain strong, favouring an upward trend in interest rates. A second period could begin insofar as central banks, aware of current trends, would step in to keep interest rate hikes under control. Thus, inflation for the **eurozone** inflation could return to 1.5% by end-2022. In the **United States**, the situation follows the same pattern: a peak of 7% at the beginning of the year, then decelerating to under 3% by the end of the year.

China is expected to grow 5% in 2022. In 2021, China's growth model was mainly boosted by foreign trade. A slowdown is expected in 2022 with a view to normalising consumption practices sparked by the end of the crisis. The country's growth should therefore be supported by its domestic market, which has to deal with the challenges of the current real estate crisis and reviving domestic consumption.

For other emerging countries (excluding China), 2022 will also divided, with an initial period marked by high inflation and additional rate hikes, restricting growth in Latin American and Eastern European countries already experiencing high rates. The first half of the year is thus likely to be tense, while the second should see constraints relax with less inflation and fewer supply/demand imbalances.

Global growth could be hampered by the massive resurgence of Covid-19 cases (particularly with the presence of new variants) and additional health measures in several countries. However, the massive deployment of the Covid-19 vaccine in 2021 (which remains slower in emerging markets than in developed markets) reduces the risk of deadly new waves, thus improving business and consumer confidence and supporting domestic demand.

In 2021, the level of debt worldwide exceeded that of 2020. Median debt/GDP rose further from 62% to 64% between 2020 and 2021. Finally, 2022 should be a year of monetary normalisation, with central banks committed - at varying rates - to withdrawing the exceptional accommodations established to help countries cope with the health crisis.

In 2022, the gap will continue to widen between advanced and emerging countries, due to highly divergent vaccination rates. The fragmentation of the emerging world will continue, or perhaps even deepen. In addition, inflation remains high, particularly in terms of energy prices, jeopardising consumer purchasing power and increasing the risk of social tensions (Kazakhstan). Regional conflicts, potential sanctions and multiple elections are also risk factors. In many countries, 2022 will bring politics back into economic scenarios.

Finally, Joe Biden's election as President of the **United States** does not seem to have generated radical changes for emerging countries. Tensions between China and the US are likely to persist.

In this uncertain environment, Crédit Agricole CIB will continue actively working to support its local and international customers in their business developments, including internationally, while ensuring that the rules of compliance in force are observed and adopting a prudent and selective approach, strengthening exposure to business lines/sectors more invested in CSR and paying very close attention to climate risks.

◆ Change in the level of exposure to emerging countries

As of December 2021, the share of "Investment grade" countries (i.e. countries with a rating between A and C) both emerging and non-emerging, was relatively stable at 86.1% of the Crédit Agricole CIB's portfolio (85.6% at end-year 2020).

The amount of Crédit Agricole CIB's exposures[(2)] to countries qualified as emerging countries, excluding those rated A and B amounted to 49.7 billion euros at 31 December 2021, versus 41.3 billion euros at 31 December 2020 (+17.5% over the period including a EUR/USD exchange rate effect and +9.4% excluding this change effect), with predominantly the Asian area and the Middle-East to a lesser extent, recording the largest increases. Within this scope, these exposures are broken down as follow:

- Asia represents 39.8% (vs. 37.6% at end-year 2020). The portfolio grew by +15.9% over the year (in USD), it is primarily concentrated in China and India.
- The Middle-East and North Africa account for 34.4% of the risks of this group (35.2% in 2020). The main exposures are concentrated in Saudi Arabia, United Arab Emirates and Qatar.
- Latin America: this region accounts for 13.5% of this scope, down comparing to 2020 (14.5%). This decrease is mostly due to a fall in commitments in Brazil and Mexico which represented the highest concentration of exposures in this area, exposures being marginal on Argentina.
- Other Central and Eastern European countries, represent 12.3% of this scope (vs. 12.7% in 2020), mainly in Russia.

(1) This outlook has been written prior to the Russia-Ukraine conflict. The global economic outlook was updated in the management report presented in Chapter 4 of the present Universal Registration Document.

(2) The exposures are expressed in country-risk which takes into account credit export insurance guarantees, or eligible assimilated organizations as well as eligible cash collateral and guarantees received.

2.5. FINANCIAL RISKS

Financial risks were the subject of a taxonomy established at Crédit Agricole Group level and adapted for Crédit Agricole CIB, which is presented in the preamble to the "Risk Factors" section. This taxonomy is used below.

2.5.1 Market risks

Market Risks are managed by the Market and Counterparty Risks (MCR) Department. MCR is in charge of identifying, measuring and monitoring market, liquidity and counterparty risks in market transactions as well as the independent valuation of results.

For example, several relevant market risks for Crédit Agricole CIB can be identified, potential losses associated with:

- Changes in interest rates
  These risks are assessed in detail: maturity, underlying interest rate indices, currencies;
- Changes in share prices
  Crédit Agricole CIB's Equity Risk is mainly concentrated in European Large Corporates (financing, equity investment guarantee, management of Company Savings Plans, convertible issues, loans/borrowings) and EMTNs on equity indices;
- Deterioration in credit quality
  Due to its market-making activity on the main debts of OECD countries as well as on client issues, Crédit Agricole CIB is exposed to changes in the risk premiums on the securities in which it trades;
- Changes in exchange rates
  Crédit Agricole CIB's business with our Investor or Corporate clients exposes it to foreign exchange market fluctuations.
  Its operations in multiple countries also results in structural foreign exchange positions managed by the Asset and Liability Management Committees;
- Interest rate and currency volatility
  Some derivatives see their market value change due to the volatility of the underlying, rather than market volatility. These risks are governed by specific limits.

2.5.1.1 MARKET RISK CONTROL SYSTEM

Scope of authority

MCR's scope of authority covers all trading portfolios of consolidated entities in Crédit Agricole CIB's accounts - subsidiaries or branches - in France and abroad; the main business lines are: Macro Trading, Non-Linear, Credit and Equities.

MCR also monitors the market risks of Treasury and Credit Portfolio Management (CPM), whose dual role is to manage Crédit Agricole CIB's macro counterparty risk and to minimise the cost of capital of the banking books.

Market risks - structure and responsibilities

MCR's structure complies with the regulatory environment and the development of market activities.

The basic principles that prevail in the organisation and operation of MCR are:

- independence of the Risk function from the operational divisions (Front Offices) and other functional departments (Back Offices, Middle Offices, Finance);
- organisation that guarantees both the appropriate and specialised processing of each type of market activity and the consistent deployment of methodologies and practices, regardless of where the activity is conducted or where it is recorded for accounting purposes.

Its various responsibilities are broken down as follows:

- Market Activity Monitoring is responsible for:
  - daily validation of operating results and market and liquidity risk indicators for all activities governed by market risk limits;
  - control and validation of market parameters in an independant environment from the Front Office.
  - Finally, as part of its joint responsibility with the Finance Department, it participates in the monthly reconciliation between the operational and the accounting results;
- Risk Management monitors and controls market risks for all product lines, i.e.:
  - setting limits, monitoring limit breaches and their resolution, as well as significant changes in results, which are notified to the Market Risk Committee;
  - analysis of risks incurred by product line;
  - second-level validation of risks and monthly reserves;
- the cross-functional teams round out this system by ensuring the harmonisation of methods and accounting treatments between lines/products. They include the following functions:
  - the IPV (Independent Price Valuation) team notably in charge of validating valuation parameters and mapping observability;
  - the MRA (Market Risks Analytics) team responsible for validating pricers;
  - the teams in charge of the Quantitative Internal Model:
    - the Econometrics team in charge of historical series used in risk measurements;
    - the Methodologies team in charge of methodologies for market risk measurements;
    - the Stress Models and CCR (Credit & Counterparty Risks) team in charge of methodology and regulatory subjects related to market activities;
  - the COO team coordinates cross-business topics (projects, new activities, budgets, reports and committees) and produces the department's consolidated information.

Market risk decision-making and monitoring committee

The entire system is placed under the authority of a set of committees:

- The Group Risk Committee (Crédit Agricole S.A.) sets overall limits within the framework of the Group's risk appetite.
- The Strategies & Portfolios Committee (Crédit Agricole CIB) validates the strategic guidelines and acceptable risk management criteria, in line with the Group's and the Bank's risk appetite policy. This Committee, chaired by Crédit Agricole CIB's Executive Management, includes, among others, a member representing the Crédit Agricole S.A. Group Risk Department, the Market Activities Risk Managers and Market Activities Front Office representatives.

- The Market Risk Committee (Crédit Agricole CIB) grants limits to the operational divisions within the limits set by the Strategies & Portfolios Committee and ensures compliance with the monitoring indicators, specific management rules and defined limits. This Committee, chaired by Crédit Agricole CIB's Executive Management, includes a member representing the Crédit Agricole S.A. Group Risk Department, the Market Activities Risk Managers and Market Activities Front Office representatives.
- The Liquidity Risk Committee (Crédit Agricole CIB) monitors and analyses liquidity risks and their trends. It ensures compliance with monitoring indicators, specific management rules, established limits and the proper application of Group standards. It also serves as the Liquidity Emergency Plan Committee in the event of a crisis. Chaired by the Executive Management, the CRL also includes the Head of Group Financial Risk, the Head of Group Treasury, the heads of GMD, Treasury and Foreign Exchange, the heads of the Finance Department and ALM and the heads of Market Risk Management.

2021 highlights affecting the market risk scope

Upon various regulators requests, the shift to the new risk-free rates (Benchmarks project) aims to strengthen the benchmark indices in order to control the risks of conflict of interest, guarantee the reliability of the methods and data used to calculate benchmarks, avoid manipulation risk and protect consumers. Crédit Agricole CIB spent considerable effort on this project throughout the year, calling for a number of internal and external adjustments, resulting in the discontinued publication of LIBOR GBP, CHF, JPY and EUR after 31/12/2021.

Crédit Agricole CIB also continued to roll out its new Market Risk ecosystem (MASAI). Crédit Agricole CIB decommissioned several activities (structured interest rate product scope + local scopes in Asia) and implemented a number of cross-business functionalities (FRTB SA, observability mapping and initial batches of automated reserve calculations). The implementation of this new system includes the following elements: implementation of data management principles, centralisation of valuation methods, industrialisation, audit trail and measures for analysing and monitoring market risk indicators.

In line with the Decree of June 2021, Crédit Agricole CIB implemented the new SA-CCR standard methodology for calculating counterparty credit risk exposure provided for by European Regulation CRR2. This methodology is used for scopes not eligible for the internal counterparty credit risk model (IMM), as well as for the assessment of the leverage ratio and large exposures.

Crédit Agricole CIB is continuing its remediation work following the ECB Targeted Review of Internal Models (TRIM):

- 2017 on Value-at-Risk (VaR), Stressed Value at Risk (SVaR) models, models for incremental default and migration risks (IRC). This remediation work is almost complete.
- 2018 (TRIMX) regarding counterparty credit risk (CCR) models. The remediation of certain recommendations is in progress.

2.5.1.2 MARKET RISK MEASUREMENT AND MANAGEMENT METHODOLOGY

Value at Risk (VaR)

VaR is calculated on daily basis across all positions. It represents the potential one-day horizon loss with a confidence interval of 99%. As extreme market conditions are not captured by VaR, it should not be confused with the concept of maximum loss. Stressed VaR and stress scenarios round out the system for measuring extreme risks.

Change in regulatory VaR over 2021

Chart 1 Regulatory Var over the period 2020-2021 shows the change in Crédit Agricole CIB's VaR in the regulatory scope over the course of 2020-2021.

Over 2021, the regulatory VaR averaged €8 million (a sharp decrease compared to the average of €14 million in 2020), fluctuating within a range of €5 million and €19 million.

As from end-March 2021, Crédit Agricole CIB's regulatory VaR fluctuated at much lower levels vs. 2020, as the strong market variations observed at the peak of the Covid-19 crisis (March 2020) were removed from the VaR history.

At end-December, six VaR backtesting exceptions were recorded over a rolling 12-month period, with theoretical losses - theoretical P&L equivalent to daily P&L excluding reserves and new transactions - exceeding VaR (excluding transactions recorded within the day. These exceptions must be considered in determining the amount of Own Funds.

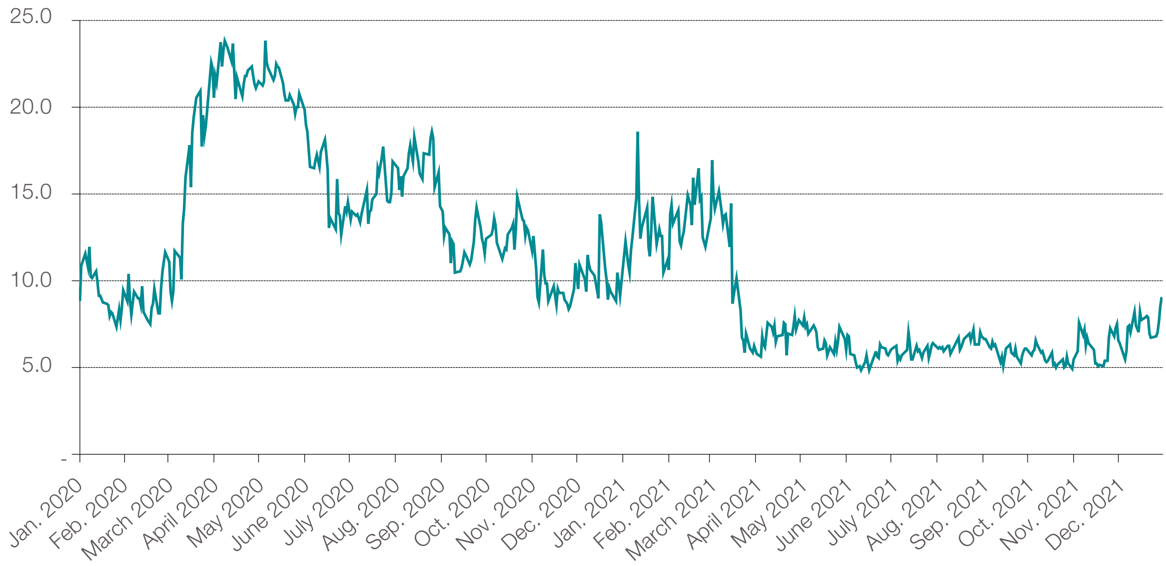
Chart No. 2 (Evolution of quarterly averages over the period 2020-2021) shows the change in the quarterly averages of regulatory VaR and the VaR for each of Crédit Agricole CIB's business lines since 1 January 2020.

All of Crédit Agricole CIB's activities are based on the internal model, with the exception of a few isolated products, which still use the standardised approach.

▶ Change in regulatory VaR

	31.12.2021				31.12.2020			
€ million	Minimum	Average	Maximum	End of year	Minimum	Average	Maximum	End of year
Total VaR	5	8	19	9	7	14	24	9
Netting Effect	(4)	(8)	(16)	(7)	(2)	(9)	(20)	(10)
Rates VaR	3	6	16	6	5	11	16	8
Equity VaR	1	2	4	2	1	2	3	2
Fx VaR	2	3	7	4	1	3	13	5
Commodities VaR	0	0	0	0	0	0	2	0
Credit VaR	2	4	8	3	3	7	12	4

▶ Chart No. 1: Crédit Agricole CIB's regulatory VaR in 2020-2021 (€ million)



▶ Chart No. 2: Quarterly average change in regulatory VaR and VaR by product line over the 2020-2021 period (€ million)

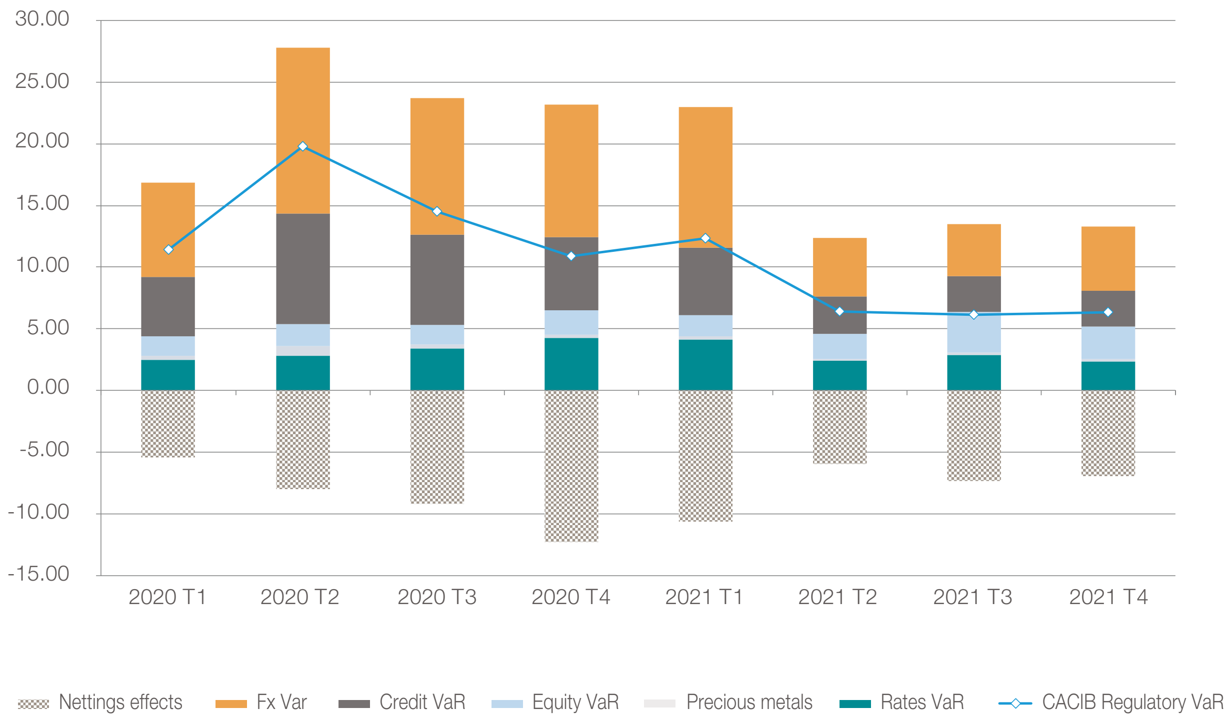
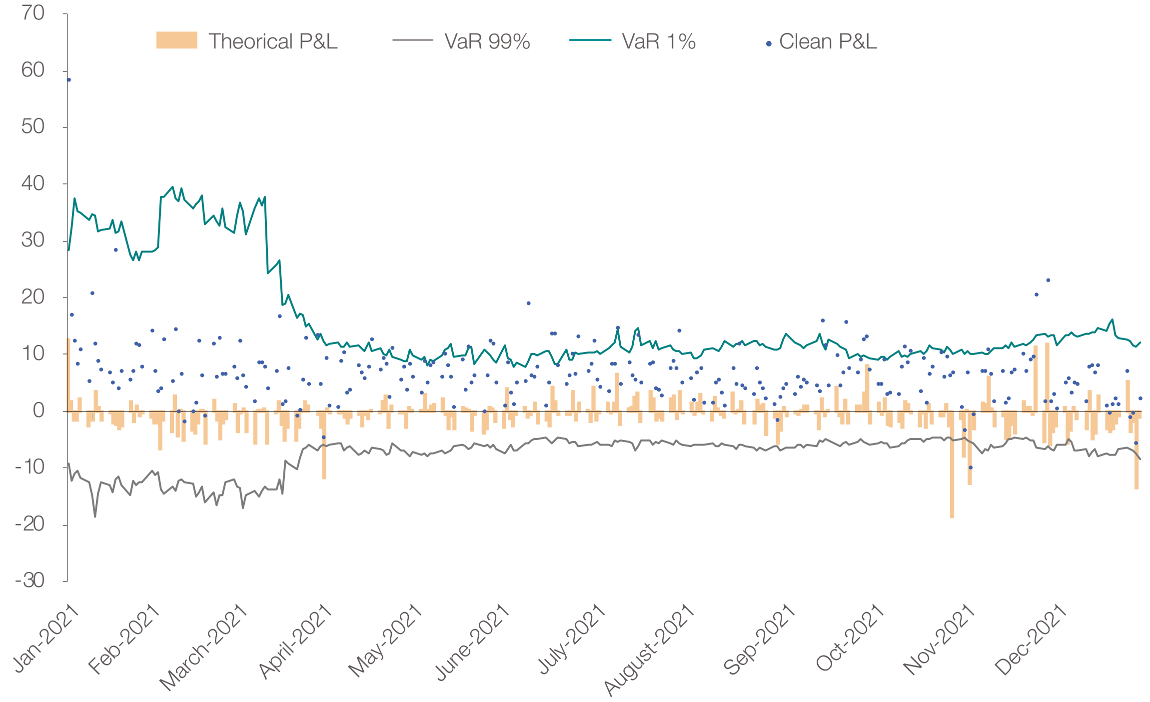


Chart 3: Backtesting of Crédit Agricole CIB's regulatory VaR in 2021 (€ million)



VAR BACKTESTING (CHART NO. 3)

The VaR backtesting method for Crédit Agricole CIB's regulatory scope compares the daily VaR amounts with the daily P&L excluding reserves (clean P&L or actual P&L) on the one hand and the daily P&L restated for reserves and new transactions (or "theoretical" P&L) on the other hand.

At end-December 2021, there were six backtesting exceptions over a rolling 12-month period, with theoretical losses exceeding VaR (excluding transactions recorded at D).

VaR capital requirement

At 31 December 2021, the VaR capital requirement amounted to €91 million.

€ million	31.12.2021	Minimum	Maximum	Average	31.12.2020
VaR	91	74	157	102	136

Stressed regulatory VaR statistics

If the historical data used to calculate VaR shocks are derived from sluggish market conditions, i.e. low volatility, then the resulting VaR will be low. To counter this procyclical bias, the regulator introduced stressed VaR.

Stressed VaR is calculated using the "initial" VaR model over a confidence interval of 99%, and a one-day horizon and a stress period corresponding to the worst known period for the most significant risk factors.

The period used is November 2007 - November 2008.

Change in stressed regulatory VaR in 2021

Chart No. 4 (see below) shows the change in Crédit Agricole CIB's stressed regulatory VaR over the 2020-2021 period.

Stressed VaR averaged €18 million in 2021, i.e. stable compared to 2020, but with a wider range of variations as shown in the table of statistics below. However, it continued to demonstrate the continuation of Crédit Agricole CIB's prudent management policy.

The SVaR/VaR ratio was 1.9 at end-December.

The table below compares the statistics on stressed regulatory VaR and regulatory VaR.

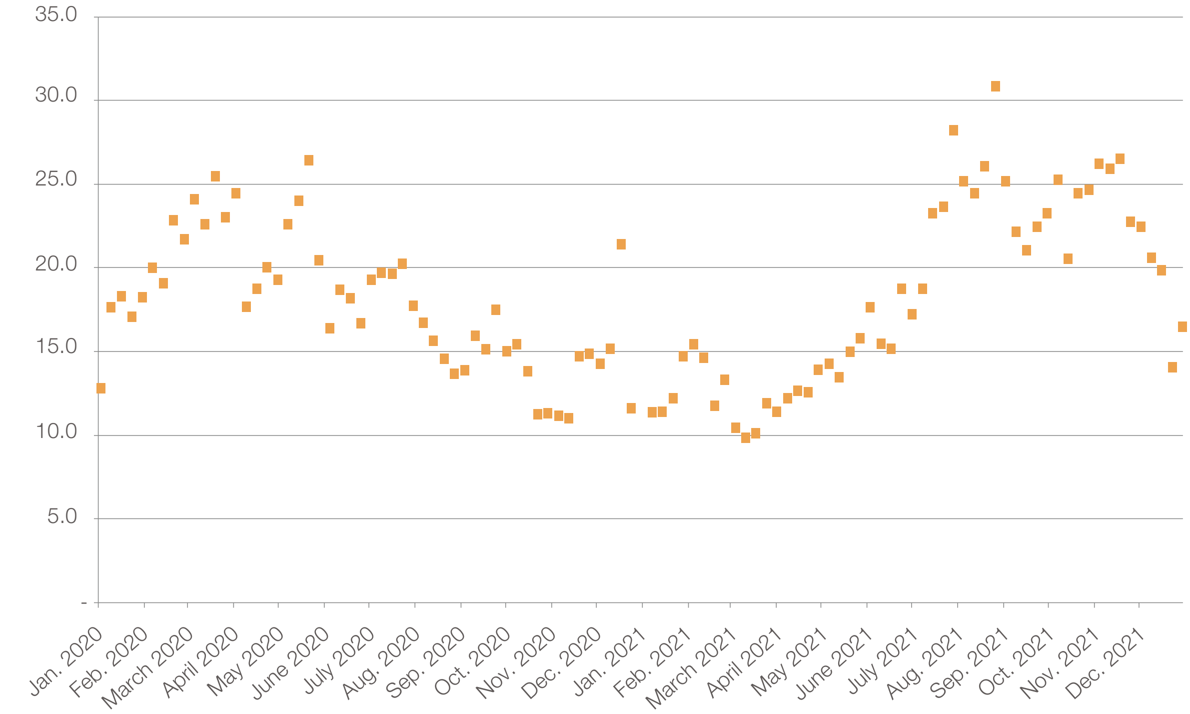
	31.12.2021				31.12.2020			
€ million	Minimum	Average	Maximum	End of year	Minimum	Average	Maximum	End of year
Stressed regulatory VaR	10	18	31	17	11	18	26	12
Regulatory VaR	5	8	19	9	7	14	24	9

Stressed VaR capital requirement

At 31 December 2021, the stressed VaR capital requirement amounted to €314 million.

€ million	31.12.2021	Minimum	Maximum	Average	31.12.2020
Stressed VaR	314	153	314	229	175

Chart No. 4: One-day regulatory stressed VaR for a 99% confidence interval (€ million)



Stress tests

Stress tests were established to assess the resilience of financial institutions due to a shock in their activities. This shock can be economic (economic slowdown, for example) or geopolitical (conflict between countries).

In order to meet the regulator's requirements and to supplement VaR measurements, Crédit Agricole CIB applies stress scenarios to its market activities in order to assess the impact of particularly severe disruptions (which cannot be anticipated or modelled in VaR) on the value of its books. These scenarios are based on three complementary approaches:

1. Historical approaches, which consist in replicating the effect of major crises from the past on the current portfolio. The following historical scenarios are used:
   - 1994 crisis: bond crisis scenario;
   - 1998 crisis: credit market crisis scenario, the assumptions of which are the decline in the equity markets, the sharp rise in interest rates and the decline in emerging currencies;
   - 1987 crisis: stock market crash scenario;
   - October and November 2008 crises (replicating market conditions following the failure of Lehman Brothers).
2. Hypothetical scenarios, which anticipate likely shocks, developed in collaboration with economists. Hypothetical scenarios are:
   - economic recovery (rally on the equity and commodity markets, sharp rise in short-term rates and depreciation of the USD, tightening of credit spreads);
   - tightening of liquidity conditions (sharp rise in short rates, widening of credit spreads, decline in equity markets);
   - a scenario representing economic conditions amid international tensions between China and the United States (increase in volatility and falling prices on the equity markets, rise in the commodity market, steepening of yield curves, depreciation in the US dollar against other currencies, widening of credit spreads).
3. Two "adverse" approaches (a ten-year scenario and an extreme scenario), which consist in adapting assumptions to simulate the most unfavorable situations according to the structure of the portfolio at the time the scenario is calculated:
   - a "10-year adverse stress" approach, which assesses the impact of large-scale and unfavourable market movements for each activity taken individually. The calibration of shocks is such that the scenario has a probability of occurring approximately every 10 years and the period in which the bank incurs events without reacting is around 10 days. Losses measured by this scenario are subject to limits;
   - an "extreme adverse" approach that measures the impact of market shocks with a intensity and duration greater than the ten-year adverse stress scenario, in order to simulate events that are rarer but still have a probability of occurring. The shocks simulated in extreme adverse stress scenarios are approxi-

mately twice as harsh as those in the ten-year adverse stress test, their impact on the result of stress can be much more severe for non-linear products with an option component.

These indicators are subject to a limit set in agreement with Crédit Agricole S.A.

Global stress tests are calculated on a weekly basis and are presented to the Crédit Agricole CIB Market Risk Committee on a monthly basis.

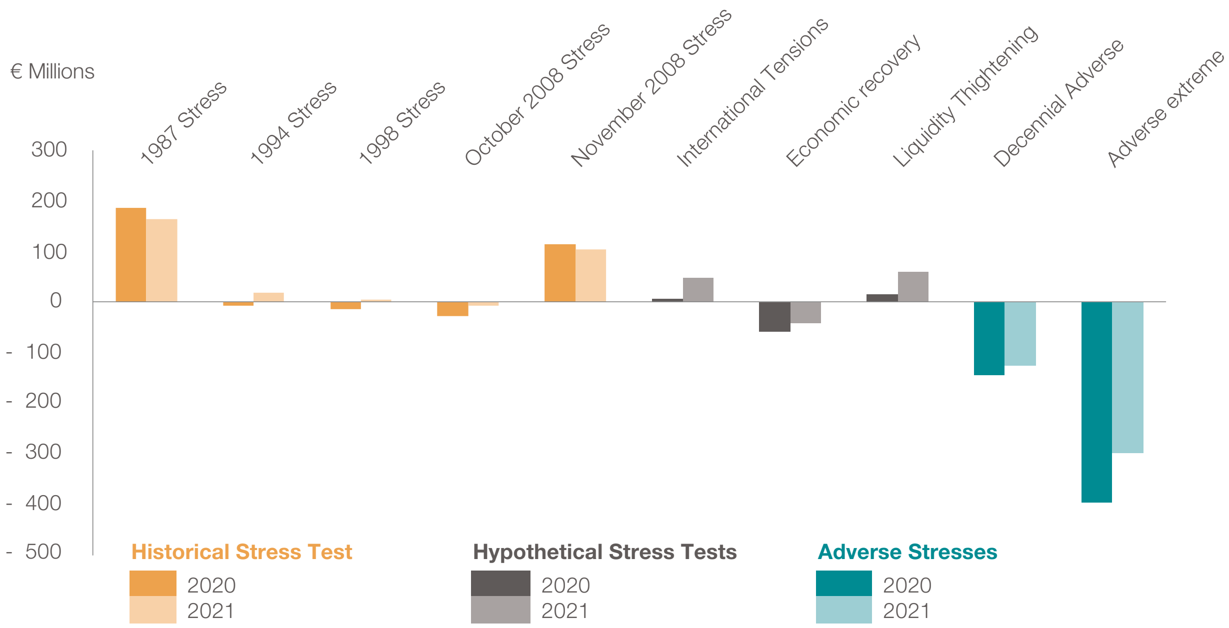
At the same time, specific stress scenarios are developed for each business line. They are produced on a weekly basis. These specific scenarios are used to clarify the analysis of risks specific to the various business lines.

Stress tests are regularly defined in anticipation of ad hoc market events: Brexit, US elections, etc.

MCR conducted research aimed at strengthening the stress testing system, presented to the Executive Committee at the end of 2020. It will be rolled out over 2022-2023.

Chart No. 5 below shows the comparison of changes in stress scenarios in 2020 and 2021.

Chart No. 5: 2020 and 2021 average values of stress scenarios (€ million)



Between 2020 and 2021, the ten-year and extreme adverse stresses decreased. They fell on average from €145 million and €395 million, respectively in 2020 to €125 million and €298 million in 2021. The decrease in extreme adverse stresses was mainly due to the decrease in the contribution of foreign exchange activities. The stress levels (excluding CVA) observed in 2021 wee generally very far from the established limits.

2.5.1.3 OTHER INDICATORS

VaR measurement is associated with a set of complementary or explanatory indicators, most of which are subject to limits:

- sets of limits defined for precise risk management purposes. Adapted by activity and mandate, they specify the authorised products, maximum maturities, positions and maximum sensitivities; they also include a loss alert system;
- other analytical indicators are used by Risk Management. In particular, including notional indicators in order to highlight atypical transactions;
- under CRD III (effective 31 December 2011), Crédit Agricole CIB implemented specific default risk measures on credit portfolios, including the Incremental Risk Charge.

◆ IRC capital requirements

The Incremental Risk Charge (IRC) is an additional capital requirement for "linear" credit positions (i.e. excluding credit correlation positions), required by the regulator under CRD III in response to the subprime crisis.

The IRC aims to quantify unexpected losses caused by credit events on issuers, i.e. default or rating migration (both in the case of a downgrade or upgrade in the credit rating). In other words, the IRC captures 2 risk measurements:

- Default risk (or potential losses or gains, following the default of the issuer);
- Migration risk, which represents potential losses or gains resulting from a migration of the issuer's credit rating and the associated spread shock.

IRC is calculated with a confidence interval of 99.9% over a one-year risk horizon using Monte Carlo simulations.

Simulated default and credit migration scenarios are then measured using Crédit Agricole CIB pricers. These values give a distribution, based on which a 99.9% quantile calculation is used to obtain the IRC.

At the end of December 2021, the IRC capital requirement amounted to €188 million.

€ million	31.12.2021	Minimum	Maximum	Average	31.12.2020
IRC	188	119	239	153	116

◆ Requirements under the CRD 3 standardised method

The CRD 3 standardised method is an additional capital requirement for issuer risk not covered by the IRC and CRM (Comprehensive Risk Measure). The final measure required by the supervisory authorities is the standardised method for securitisation positions in the trading book.

The standardised method capital requirement was €5 million at December 31, 2021.

€ million	31.12.2021	Minimum	Maximum	Average	31.12.2020
Standard CRD 3 method	5	4	5	5	4

◆ Prudent Valuation capital requirements

Under CRD IV, the Basel III Committee requires the implementation of an additional prudent measure (Prudent Valuation) to the accounting market valuation. It applies to all trading book and banking book positions recognised at fair market value with a confidence interval of 90%.

Prudent Valuation is broken down into 9 accounting adjustments: price uncertainty, liquidation costs, model risk, concentrated positions, prepaid credit margins, financing costs, early termination, future administrative costs and operational risk. All the different categories are then aggregated and deducted from Common Equity Tier 1.

The calculation of adjustments based on regulatory requirements gave an impact on own funds at end-December 2021 of €772 million for Crédit Agricole CIB (o/w €538 million for market risks).

2.5.2 OTHER FINANCIAL RISKS

2.5.2.1 OVERALL INTEREST RATE RISK

Global interest rate risk or interest rate risk on the banking book of a financial institution is the risk of a change in interest rates in any on-balance sheet or off-balance sheet transaction, except transactions subject to market risk.

◆ Objectives and policy

Global interest rate risk management aims to protect commercial margins against fluctuations in rates and to ensure better stability over time in the intrinsic value of equity and long-term financing components.

The intrinsic value and the interest margin are linked to the sensitivity to changes in interest rates of the net present value and cash flows of on- and off-balance sheet financial instruments. This sensitivity arises where the dates on which the interest rates of assets and liabilities are recalculated are different.

5

Risk management

Each operating entity has its own Asset and Liability Management Committee responsible for ensuring compliance with the Group limits and standards that manages its exposure.

The central Financial and Strategic Steering Department – as part of its coordination and oversight role – and the Counterparty and Market Risks Department, which attend meetings of the Local Committees, ensure the consistency of methods and practices within the Group as well as the monitoring of the limits allocated to each of its entities.

The Group's overall interest rate risk exposure is presented to Crédit Agricole CIB's Assets-Liabilities Management Committee. This committee:

- examines the consolidated positions determined at the end of each quarter;
- ensures that Crédit Agricole CIB complies with its limits;
- decides on management measures based on propositions made by the Financial and Strategic Steering Department.

Method

Crédit Agricole CIB uses the interest rate gap method, in accordance with the Crédit Agricole Group Standard, to measure its overall interest rate risk.

This consists in determining maturity schedules and interest rates for all assets, liabilities and hedging derivatives at fixed or adjustable interest rates:

- until the contractual date for fixed-rate transactions; and until up to the rate revision date for adjustable-rate transactions;
- according to the economic maturities of transactions indexed to different tenors;
- according to implicit or behavioural options sold to customers; and
- using model-based conventions for items without a contractual maturity.

The gap measurement includes the rate hedging effect on fair value and cash flow hedges.

This measurement system is adapted for the relevant major currencies.

Exposure

Crédit Agricole CIB's exposure to overall interest rate risk on client transactions is limited given the interest rate matching rule for each client financing with Treasury.

The interest rate risk mainly derives from capital, investments, modelling of non-interest-bearing liabilities and from maturities of less than one year from the Treasury activities of the banking book.

The Group is mainly exposed to eurozone and, to a lesser extent US Dollar, interest rate variations.

Crédit Agricole CIB manages its exposure to interest rate risk using gap exposure limits and based on the net present value of all currencies defined by Crédit Agricole S.A..

Interest rate gaps express the surplus or deficit on fixed-rate loans. Conventionally, a positive gap represents an exposure subject to the risk that interest rates will fall over the period in question.

The results of these measures at 31 December 2021 therefore show that the Bank is exposed to a fall in interest rates beyond the first year.

€ billions	0-1 year	1-5 years	5-10 years
Average US dollar gap	(2.53)	(0.1)	(0.01)
Average Euro gap	+3.59	+ 0.121	+ 0.250

In terms of net banking income sensitivity for the first year, Crédit Agricole CIB could lose €163 million in revenue in the event of a 200-basis-point fall in interest rates over the year, i.e. 2.75% sensitivity for reference net banking income of €5,913 million in 2021, below the limit of 3.5% of reference net banking income set by the Group.

Based on these same sensitivity calculations, the net present value of the loss incurred in the next ten years in the event of an adverse 200 basis point movement in the yield curve is equal to 0.74% i.e. €206 million of the Group's capital at book value, below the €500 million limit set by the Group.

In addition, the income impacts of eight stress scenarios (five historical and three hypothetical) regarding the interest rate gap are measured on a quarterly basis and reported to the Asset and Liability Management Committee.

The scenarios are those used by Crédit Agricole CIB's Treasury Department:

- the historical scenarios include: a major equity market crash (Black Monday in 1987); a surge in interest rates (bond crash in 1994); a sharp increase in issuer spreads (rise in credit spreads in 1998); the 2008 financial crisis linked to the US mortgage market (two scenarios);
- the hypothetical scenarios are based on: the assumption of an economic recovery (rise of the equity market, rates in general, the USD spot rate and oil and a decrease in issuer spreads); a liquidity crisis following the Central Bank's decision to increase its key rates; frictions in international relations as a result of stalled business relationships between China and the United States (increase in US rates, collapse of the US equity market, widening of credit spreads and depreciation of the US Dollar compared to other currencies, especially the euro).

Simulations are calculated based on the sensitivity of Crédit Agricole CIB's interest rate gap. This sensitivity is calculated in EUR and USD. The calculation is based on average outstandings. The shocks contained in these scenarios are calculated on a 10-day basis, according to Crédit Agricole CIB's stress scenario methodology. Sensitivity is "shocked" in various ways. The result of a stress test corresponds to the net present value in the event of changes in the most adverse scenario's characteristics.

The application of stress scenarios highlighted relatively limited impacts since the net present value of the maximum potential loss incurred represented €36 million, i.e. 0.13% of capital at book value, and 0.62% of net banking income at 31 December 2021.

Internal capital requirement assessment

A measurement of the Pillar 2 capital requirement assessment is carried out to assess currency risks taking into account:

- a change in the economic value resulting from the application of a set of internal scenarios;
- one-year net interest margin driven by interest rate shocks.

At 31 December 2021, the estimated internal capital requirement for interest rate risk was €62 million.

2.5.2.2 FOREIGN EXCHANGE RISK

Foreign exchange risk is the financial risk associated with an unfavourable change in exchange rates on the foreign exchange market. It is primarily assessed by measuring net residual exposure, taking into account gross foreign exchange positions and hedging and differentially between structural and operational foreign exchange risk.

Structural foreign exchange risks

The Group's structural foreign exchange risk results from its long-term investments in assets denominated in foreign currencies, mainly the equity of its foreign operating entities, whether they result from acquisitions, transfers of funds from head office or the capitalisation of local earnings.

The Group's policy is to borrow the currency in which the investment is made in order to protect the investment against foreign exchange risk. These borrowings are documented as investment hedging instruments. In certain cases, and particularly for less liquid currencies, the investment leads to the relevant currency being purchased with the foreign exchange risk being hedged depending on the portfolio management policy adopted.

The Group's main gross structural foreign exchange positions are denominated in US dollars, in US dollar linked-currencies (mainly Middle Eastern and some Asian currencies), in sterling and in Swiss franc.

In overall terms, the Group's policy for managing structural foreign exchange positions aims at achieving two main goals:

- regulatory (by way of exception) to protect the Group's solvency ratio against currency fluctuations; for this purpose, unhedged structural currency positions will be scaled so as to equal the proportion of risk weighted assets denominated in the currencies concerned and unhedged by other types of equity in the same currency; at 31 December 2021, the immunisation ratio of the CET 1 solvency ratio for the US dollar and related currencies block was 77%.
- proprietary interests, to reduce the risk of loss of value for the assets under consideration.

Structural foreign exchange risk hedging is centrally managed and implemented on the recommendations of the Structural Exchange Rate Committee and decisions of the Bank's Asset and Liability Management Committee.

Crédit Agricole CIB's structural currency positions are also included with those of Crédit Agricole S.A., which are presented four times a year to its Assets and Liabilities Committee, chaired by Crédit Agricole S.A.'s Chief Executive Officer. They are also presented once a year to the Group Risk Committee.

Operational foreign exchange risks

The Bank is further exposed to operational exchange rate positions on its foreign currency income and expenses, both at head office and in its foreign operations.

The Group's general policy is to limit net operational exchange rate positions as far as possible by periodically hedging them, without prior hedging of earnings not yet generated except if they have a high probability and a high risk of impairment.

The Group Risk Committee sets a limit aimed at authorising frictional foreign exchange positions that may arise between the date on which the profit to be hedged is recorded for accounting purposes and the date on which it is hedged against a foreign currency, once known. At 31 December 2021, Crédit Agricole CIB's operational foreign exchange position was €26m within a limit of €110m.

The rules and delegations applicable to the management of operational positions fall within the scope of the annual meeting of the Group Risks Committee (limits) or the quarterly meetings of Crédit Agricole CIB's Asset and Liability Committees.

The contributions of the various currencies to the consolidated balance sheet can be found in Note 3.2 "Market risks.".

2.5.2.3 LIQUIDITY RISK

The Crédit Agricole CIB Group is, like all credit institutions, exposed to the risk that it will not have sufficient funds to honour its commitments. This risk is realised in the event, for example, of a massive withdrawal of deposits from customers or investors or during a crisis of confidence or general market liquidity (access to interbank, money market and bond markets).

Objectives and policy

Crédit Agricole CIB's primary objective in managing liquidity is to always be able to cope with any prolonged, high-intensity liquidity crises.

The Crédit Agricole CIB Group is an integral part of the Crédit Agricole Group's scope when it comes to liquidity risk management and uses a system for managing, measuring and containing its liquidity risk that involves maintaining liquidity reserves, organising its refinancing activities (limits on short-term funding, staggered scheduling of long-term funding, diversification of funding sources) and balanced growth in the assets and liabilities sides of its balance sheet. A set of limits, indicators and procedures aims to ensure that this system works correctly.

This internal approach incorporates compliance with all local regulations on liquidity.

Risk management

At Crédit Agricole CIB, responsibility for liquidity risk management is shared by a number of departments:

- the Steering Department manages liquidity risk (framing liquidity needs, anticipating regulatory changes, formalising the financing plan, etc.);
- the Execution Management department carries out market transactions in accordance with the instructions of the Steering Department and the Financing Plan approved by the Scarce Resources Committee;
- the Risk Division is responsible for validating the system and monitoring compliance with rules and limits.

GOVERNANCE

The Crédit Agricole CIB Group's Scarce Resources Committee defines and monitors the asset and liability management policy. Together with the Executive Management Committee, it constitutes the executive governance body and defines all operational limits applicable to Crédit Agricole CIB. It is a decision-making body, particularly in relation to the monitoring of MLT fundraising and short-term and long-term limits.

The Liquidity Risk Committee oversees the implementation of Group standards for monitoring liquidity risk at operational level. It defines limits for liquidity risk indicators specific to Crédit Agricole CIB, monitors breaches of limits and alert thresholds and, where applicable, approves proposals for managing overruns. It also serves as the Liquidity Emergency Plan Committee in the event of a crisis. The internal methods are validated by COTEC.

OPERATIONAL STEERING

The Steering Department manages scarce liquidity resources within a framework subject to regulations, the Group's standards and the defined budget trajectory. Liquidity risk management is part of the risk appetite level approved by Crédit Agricole CIB's Board of Directors. This department is responsible for managing and monitoring liquidity risk, anticipating regulatory changes and, where applicable, related hedging needs, planning issuance programmes and invoicing liquidity to the consuming business lines.

The Execution Management department is responsible for the operational management of liquidity refinancing.

The Treasury department is responsible for overall day-to-day management of the Crédit Agricole CIB Group's short-term refinancing activities, and for coordinating issue spreads and managing the Treasury department's liquid asset portfolio. Within each cost centre, the local Treasurer is responsible for managing funding activities within the allocated limits. He/she reports to Crédit Agricole CIB's Treasurer and the local Assets and Liabilities Committee. He/she is also responsible for complying with local regulatory constraints applicable to short-term liquidity.

The operational management of medium- and long-term funding is delegated to ALM Execution, which is responsible for monitoring the long-term liquidity raised by the Bank's market desks and issuance programmes, and for checking the consistency of issue prices.

◆ Refinancing conditions

In addition to conventional sources of short-term liquidity (sight and term deposits for Corporate and Private Banking clients), Crédit Agricole CIB implements an active policy of diversifying its sources of financing, by maintaining diversified access to these markets via multiple-format issuance programmes (Commercial Paper/Certificate of Deposit) and aimed at various geographic areas (New York, London, Tokyo, Australia, Hong Kong, etc.).

Crédit Agricole CIB's long-term liquidity resources are mainly derived from interbank borrowing and debt issues that take various forms.

Crédit Agricole CIB makes use of its Euro Medium Term Notes (EMTN) programmes: at 31 December 2021, the amounts issued under long-term EMTN programmes amounted to around €23.8 billion.

Barring exceptions, issues under these programmes for the purposes of Crédit Agricole CIB's international and domestic clients are referred to as "structured", meaning that the coupon paid and/or the amount redeemed at maturity includes a component indexed to one or more market indices (equity, interest rates, foreign exchange or commodities). Similarly, certain issues are referred to as credit-linked notes, meaning that repayment is reduced in the event of default by a third party contractually defined at the time of issue.

Crédit Agricole CIB also still holds covered bonds issued by Crédit Agricole S.A. and backed by Crédit Agricole CIB's export credit loans.

MAINTAINING A WELL-BALANCED BALANCE SHEET

In 2021, Crédit Agricole CIB continued to strengthen its balance sheet structure, with balance sheet strength resulting in surplus stable funding over long-term assets of +€50.4bn at 31 December 2021.

◆ System

Crédit Agricole CIB's liquidity management and control system is structured around several risk indicators, the definition and control of which are the subject of standards approved by the governance bodies of Crédit Agricole CIB and Crédit Agricole Group:

- short-term indicators comprising mainly stress scenario simulations (all currencies and the dollar) the aim of which is to regulate the liquidity risk based on the tolerance levels defined by the Group. Short-term debt allows the maximum net amount of short-term market financing to be controlled. The measurement of static gaps and the monitoring of diversification indicators supplement this system;
- medium to long-term indicators used to manage the move towards one year for all currencies as well as the major currencies; the concentration of MLT refinancing maturities, the purpose of which is to allow for renewal at maturity without undue market solicitation;
- balance sheet structure indicators, including the stable funding position defined as the surplus of stable sources over long-term assets, which is used to protect business lines against reliance on money market refinancing.

The system incorporates the following regulatory indicators:

- the purpose of the Liquidity Coverage Ratio (LCR) is to ensure that banks have sufficient reserves of high-quality liquid assets (HQLAs) to cover net cash outflows in the event of a 30-day liquidity crisis. A minimum of 100% compliance with this ratio is required as from 1 January 2018. It averaged 125.4% in 2021;
- additional liquidity analysis reports called Additional Liquidity Monitoring Metrics (ALMMs) attached to the LCR;
- the Net Stable Funding Ratio (NSFR) is a balance sheet structure ratio, that measures the balance between the stability of funding sources and stable financing requirements. The definition of the NSFR assigns a weighting to each balance sheet item that reflects its potential to have a maturity of more than one year. The final text of the NSFR, which was included in the CRR2 banking package, was adopted by the European Parliament on 14 May 2019. The NSFR came into force on 28 June 2021. Crédit Agricole CIB complies with the regulatory constraint, with a ratio of 113% at 31 December 2021.

The liquidity risk associated with securitisation activities is monitored by the responsible business lines and also centrally by the Market Risks Department and the Asset and Liability Management (ALM) Departments. The impact of these activities is incorporated into the Internal Liquidity Model indicators, including the stress scenarios, liquidity ratios and liquidity gaps.

2.5.2.4 GLOBAL INTEREST RATE AND FOREIGN EXCHANGE RISK HEDGING

In managing its financial risks, Crédit Agricole CIB uses instruments (interest rate swaps and forex transactions) for which a hedging relationship is established based on the management intention pursued.

Note 3.4 to the Group's consolidated financial statements presents the market values and notional amounts of hedging derivatives.

◆ Fair value hedges

The aim is to protect the intrinsic value of fixed-rate financial assets and liabilities that are sensitive to changes in interest rates, by hedging them with instruments that are also at fixed rates. Where the hedging uses derivatives (swaps), the derivatives are described as fair value hedge derivatives.

Hedges carried out by Asset and Liability Management cover outstanding unremunerated Wealth Management customer deposits, which are analysed as fixed-rate financial liabilities.

- **Cash flow hedges**

The second objective is to protect the interest margin so that interest flows generated by variable-rate assets financed by fixed-rate liabilities (in particular, working capital) are not affected by the future fixing of interest rates over these items.

When the required neutralisation is carried out using derivatives (swaps), they are classified as cash flow hedges.

Under IFRS 7, the amounts of future interest payments attached to balance sheet items subject to cash flow hedges are presented below, by maturity.

	31.12.2021			
€ million	≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Total
Cash flow hedged (to be received)	23	196	161	380
Cash flow hedged (to be paid)	53	1	0	54

IFRS DOCUMENTATION OF FAIR VALUE AND CASH FLOW HEDGES

The hedging relationships in relation to macro-hedges managed by the Asset and Liability Management Department are documented from the outset and verified quarterly by carrying out forward-looking and back-looking tests.

For this purpose, hedged items are classified by maturity, using the characteristics of contracts or, for items without contractual maturities (such as demand deposits), runoff models based on each product's behaviour. The comparison between this maturity schedule and that of the derivative instrument allows the efficiency of the hedging to be assessed.

- **Net investment hedges**

The instruments used to manage structural foreign exchange risk are classified as net investment hedges. The effectiveness of these hedges is documented quarterly.

2.6. OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings in internal procedures or information systems, human error or external events that are not linked to a credit, market or liquidity risk.

Operational risks were the subject of a taxonomy established at Crédit Agricole Group level and adapted for Crédit Agricole CIB, which is presented in the preamble to the "Risk Factors" section. This taxonomy is used below.

2.6.1 Management of operational risks

The Risk and Permanent Control/Operational Risk Management Department is responsible for supervising the system, and it is overseen by Executive Management through the operational risk section of Crédit Agricole CIB's Internal Control Committee.

GOVERNANCE

Operational risk management specifically relies on a network of Operational Risk Managers (ORMs) that cover all the Group's subsidiaries and business lines.

The system is monitored by Internal control committees under the authority of each entity's management. Head office Control functions are invited to the meetings of these Committees.

IDENTIFICATION AND ASSESSMENT OF QUALITATIVE RISKS

In accordance with principles in force within the Crédit Agricole S.A. Group, Crédit Agricole CIB's Risk and Permanent Control Department has implemented a qualitative and quantitative system designed to identify, assess, prevent and monitor operational risk, as required by the Basel II reforms.

The Risk and Control Self-Assessment process applies to all Group entities. These risk maps allow Crédit Agricole CIB to supervise the most sensitive processes and to draw up control plans. They are updated annually.

DETECTION OF OPERATIONAL LOSSES AND REPORTING OF SIGNIFICANT INCIDENTS

A unified procedure for loss detection and for reporting significant incidents has been introduced for the entire scope. The data required by the internal model that calculates the allocation of economic capital (in accordance with the advanced Basel II method) are consolidated into a single database that provides historical data for a rolling six-year period.

CALCULATION AND ALLOCATION OF ECONOMIC CAPITAL

Capital requirements are calculated annually at Crédit Agricole CIB level based on historical losses and supplemented by risk scenarios.

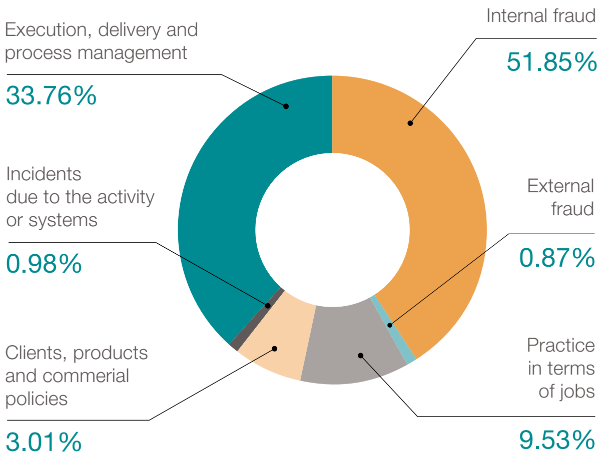
The capital requirement is calculated by applying the Crédit Agricole Group's Advanced Measurement Approach (AMA) model for the Crédit Agricole CIB scope, a model that was validated at the end of 2007 by the French Regulatory and Resolution Supervisory Authority (ACPR).

PRODUCTION OF DASHBOARDS

RPC/MRO produces a quarterly operational risk dashboard that highlights significant events and changes in the cost of these risks. These dashboards contain the main sources of risk (litigation with clients, management of processes relating to market transactions) used to determine preventive or corrective action plans.

EXPOSURES

The chart below provides a breakdown of operational losses by type at their date of detection for the period 2019-2021.



INSURANCE AND RISK COVERAGE

Crédit Agricole CIB has broad insurance coverage for its insurable operating risks in accordance with guidelines set by its parent company, Crédit Agricole S.A., with the aim of protecting its balance sheet and its income statement.

Crédit Agricole CIB is covered by all the Group policies taken out by Crédit Agricole S.A. with major insurers against high-level risks: cyber risk, fraud, all risks to securities (or theft), operating losses, professional indemnity, operating liability, third-party liabilities of directors and corporate officers and property damage (buildings, IT, third-party claims for buildings most exposed to this risk).

Crédit Agricole CIB, like all the Crédit Agricole S.A. Group's business line subsidiaries, manages smaller risks itself. High-frequency and low intensity risks that cannot be insured on satisfactory financial terms are retained in the form of excesses or are insured on a pooled basis within the Crédit Agricole S.A. Group by one of the Crédit Agricole Group's insurance companies.

This general framework may vary according to local regulations and the specific requirements of countries in which the Crédit Agricole CIB Group operates. This system is generally supplemented by local insurance.

2.6.2 Main ongoing legal and tax proceedings

The main legal and tax proceedings outstanding at Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) and its fully consolidated subsidiaries are described in the 2020 management report.

With respect to the exceptional events and the litigations set out in this report and updated in the first quarter of 2021 in the A02 the new developments are mentioned:

- In the penultimate paragraph of the part relating to "Euribor/ Libor and other indexes",
- In the third paragraph of the part relating to "Bonds SSA",
- In the pre-penultimate and last paragraphs of the part relating to "Intercontinental Exchange, Inc. ("ICE")",

The main ongoing legal and tax proceedings in which Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) and its fully consolidated subsidiaries are described in the management report for the 2020 financial year.

The cases presented below are those that are born or have evolved since 24 March 2021, the date on which the 2020 Universal Registration Document was filed with the *Autorité des marchés financiers* (AMF). Are also mentioned the pending cases which have not evolved since that date.

The main ongoing legal and tax proceedings at 31 December 2021 that may have negative impact on the Group's asset have been covered by provisions equal to the best estimate by the Executive Management based on the information available to it. They are referred to in Note 6.15 to the consolidated financial statements.

To date, to the best of Crédit Agricole CIB's knowledge, there are no other governmental, judicial or arbitration proceedings (including any proceedings of which the Company is aware that are pending or threatened), that may have or have had a significant effect on the financial position or profitability of the Company and/or the Group in the previous 12 months.

EXCEPTIONAL EVENTS AND DISPUTES

Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (i.e., €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Fed) and the New-York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. On October 19, 2018 the two deferred prosecution agreements with USAO and DANY ended at the end of the three-year period, Crédit Agricole CIB having complied with all its obligations under the DPAs.

Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole's compliance program is subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indexes

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a statement of objection to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the General Court of the European Union to overturn it.

The Swiss competition authority, COMCO, has conducted an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. This investigation was closed following a settlement procedure under which Crédit Agricole S.A agreed to pay a penalty of CHF 4.465.701 and proceedings costs amounting to CHF 187.012 without any admission of guilt.

Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The investigation into certain foreign exchange derivatives (ABS-NDF) has been closed by the KFTC according to a decision notified to Crédit Agricole CIB on 20 December 2018.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is at the preliminary stage that consists in the examination of its admissibility; proceedings are still suspended before the US District Court of New York State. Concerning the"Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB introduced a motion to dismiss the applicants' claim. The US District Court of New York State upheld the motion to dismiss regarding Crédit Agricole S.A. and Crédit Agricole CIB in first instance. On 14 June 2019, the plaintiffs appealed this decision.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. After having granted a first motion to dismiss filed by Crédit Agricole S.A. and Crédit Agricole CIB, the New York Federal District Court, ruling on a new request by the plaintiffs, excluded Crédit Agricole S.A. from the Frontpoint case on the grounds that it had not contributed to the relevant indexes. The Court considered, however, taking into account recent developments in case law, that its jurisdiction could apply to Crédit Agricole CIB, as well as to all the banks that are members of the SIBOR index panel. The allegations contained in the complaint regarding the SIBOR/USD index and the SOR index were also rejected by the court, therefore the index SIBOR/Singapore dollar alone is still taken into account. On 26 December, the plaintiffs filed a new complaint aimed at reintroducing into the scope of the Frontpoint case the alleged manipulations of the SIBOR and SOR indexes that affected the transactions in US dollars. Crédit Agricole CIB, alongside the other defendants, objected to this new complaint at the hearing held on 2 May 2019 before the New York Federal District Court. On July 26, 2019, the Federal Court granted the defendants' motion to dismiss. The plaintiffs filed a notice of appeal on August 26, 2019.

On March 17, 2021, a three-judge panel of the Court of Appeal of the 2nd Circuit reversed the dismissal and returned the case to the District Court. The defendants, including Crédit Agricole CIB, requested the Second Circuit Court to rehear the case "en banc" (all the active judges of the Court). This motion was denied by the Second Circuit Court on May 6, 2021. Another motion was filed on May 12, 2021 by the defendants seeking a stay of this decision remanding the case to the District Court, which was rejected on May 24, 2021. On October 1, 2021, the defendants filed a petition for writ of certiorari with the US Supreme Court, which decided on January 10, 2022 not to hear the case. A new petition, currently under review, has been filed by the defendants before the District Court in an attempt to stop this action.

These class actions are civil actions in which the plaintiffs claim that they are victims of the methods used to set the Euribor, Libor, SIBOR and SOR rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees paid.

Bonds SSA

Several regulators requested information to Crédit Agricole S.A. and to Crédit Agricole CIB for investigations relating to activities of different banks involved in the secondary trading of Bonds SSA (Supranational, Sub-Sovereign and Agencies) denominated in American dollars. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information available. On 20 December 2018, the European Commission issued a Statement of Objections to a number of banks including Crédit Agricole S.A. and Crédit Agricole CIB within its inquiry on a possible infringement of rules of European Competition law in the secondary trading of Bonds SSA denominated in American dollars. Crédit Agricole S.A. and Crédit Agricole CIB became aware of these objections and issued a response on 29 March 2019, followed by an oral hearing on 10-11 July 2019.

In a decision dated 28 April 2021, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB € 3,993,000 for participating in a cartel in the secondary trading market of Bonds SSA denominated in American dollars. On 7 July 2021, Crédit Agricole S.A. and Crédit Agricole CIB appealed this decision to the General Court of the European Union.

Crédit Agricole CIB was included with other banks in a putative consolidated class action before the United States District

Court for the Southern District of New York. That action was dismissed on 29 August 2018 on the basis that the plaintiffs failed to allege an injury sufficient to give them standing. However, the plaintiffs were given an opportunity to attempt to remedy that defect. The plaintiffs filed an amended complaint on 7 November 2018. Crédit Agricole CIB as well as the other defendants filed motions to dismiss the amended complaint. An order issued on 30 September 2019 dismissed the class action against Crédit Agricole CIB for lack of personal jurisdiction and, in a subsequent ruling, the Court held that the plaintiffs had in any event failed to state a claim for violation of US antitrust law. In June 2020, the plaintiffs took an appeal from both of the Court's orders. On 19 July 2021, the Second Circuit Court of Appeals affirmed the district court's holding that plaintiffs had failed to state a claim for violation of US antitrust law. Plaintiffs' deadline to seek further review of the district court's decision from the US Supreme Court passed on 2 December 2021 without plaintiffs taking any further action, and the action therefore is concluded.

On 7 February 2019, a second class action was filed against Crédit Agricole CIB and the other defendants named in the class action already pending before the United States District Court for the Southern District of New York. In July 2020, the plaintiffs voluntarily discontinued the action but the claim could be revived.

On 11 July 2018, Crédit Agricole S.A. and Crédit Agricole CIB were notified with other banks of a class action filed in Canada, before the Ontario Superior Court of Justice. Another class action has been filed before the Federal Court of Canada. The action before the Ontario Superior Court of Justice was dismissed on 19 February 2020.

O'Sullivan and Tavera

On November 9, 2017, a group of individuals, (or their families or estates), who claimed to have been injured or killed in attacks in Iraq filed a complaint ("O'Sullivan I") against several banks including Crédit Agricole S.A., and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB), in US Federal District Court in New York.

On December 29, 2018, the same group of individuals, together with 57 new plaintiffs, filed a separate action ("O'Sullivan II") against the same defendants.

On December 21, 2018, a different group of individuals filed a complaint ("Tavera") against the same defendants.

All three complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants conspired with Iran and its agents to violate US sanctions and engage in transactions with Iranian entities in violation of the US Anti-Terrorism Act and the Justice Against Sponsors of Terrorism Act. Specifically, the complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants processed US dollar transactions on behalf of Iran and Iranian entities in violation of sanctions administered by the US Treasury Department's Office of Foreign Assets Control, which allegedly enabled Iran to fund terrorist organizations that, as is alleged, attacked plaintiffs. The plaintiffs are seeking an unspecified amount of compensatory damages.

On 2 March 2018, Crédit Agricole CIB and other defendants filed a motion to dismiss the O' Sullivan I Complaint. On 28 March 2019, the Court granted defendants' motion to dismiss. On 22 April 2019, the plaintiffs filed a motion to amend their complaint. Defendants submitted an opposition to that motion on 20 May 2019 and plaintiffs filed a reply on 10 June 2019. On 25 February 2020 the plaintiffs' motion to amend their complaint was denied and their original complaint dismissed with prejudice.

On 28 May 2020, plaintiffs filed a motion requesting that the court enter a final judgment against defendants to allow an appeal. On 11 June 2020, the defendants filed an opposition to plaintiffs' motion, and plaintiffs filed a reply brief on 18 June 2020. At 29 June 2021, the court dismissed the plaintiffs' motion.

At 28 July 2021, the court stayed the "O'Sullivan I" action while awaiting for a decision to be established in the ongoing appeal process in a Freeman v. HSBC Holdings PLC case, no 19-3970 (2d. Cir.). (The "O'Sullivan II" and "Tavera" cases have been suspended previously while awaiting for the appeal process outcome)

Intercontinental Exchange, Inc. ("ICE")

On January 15, 2019 a class action ("Putnam Bank") was filed before a federal court in New-York (US District Court Southern District of New-York) against the Intercontinental Exchange, Inc. ("ICE") and a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. This action has been filed by plaintiffs who allege that they have invested in financial instruments indexed to the USD ICE LIBOR. They accuse the banks of having collusively set the index USD ICE LIBOR at artificially low levels since February 2014 and made thus illegal profits.

On January 31, 2019 a similar action ("Livonia") has been filed before the US District Court Southern District of New-York, against a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. On February 1, 2019, these two class actions were consolidated for pre-trial purposes.

On March 4, 2019, a third class action ("Hawaï Sheet Metal Workers retirement funds") was filed against the same banks in the same courtand consolidated with the two previous actions on April 26, 2019. On July 1st, 2019, the plaintiffs filed a "Consolidated Class Action Complaint".

On August 30, 2019, the Defendants filed a motion to dismiss against this consolidated complaint.

On March 26, 2020, a judgment granted the Defendants Motion to Dismiss. On April 24, 2020, the plaintiffs filed a notice of appeal.

On November 30, 2020, during briefing of the appeal, Plaintiffs' lawyers informed Defendants that all of the named Plaintiffs wished to withdraw from the case and, on December 1, 2020, Plaintiffs' counsel filed the motion to stay the appeal, which Defendants opposed. The court denied the motion on December 7, 2020 and Plaintiffs filed their reply brief on December 15, 2020.

On December 28, 2020, DYJ Holdings Inc. filed a motion for leave to intervene to replace the currents named plaintiffs. On January 7, 2021, Defendants filed a brief in opposition to DYJ Holdings' motion and also filed a motion to dismiss the appeal.

On April 6, 2021, the court granted DYJ Holdings Inc.'s motion for leave to intervene and denied Defendants' motion to dismiss the appeal.

On June 10, 2021, Defendants submitted a supplemental brief addressing merits issues unique to DJY Holdings.

Oral argument was held on November 29, 2021.

BINDING AGREEMENTS

Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) does not depend on any industrial, commercial or financial patent, license or contract.

2.6.3 Non-compliance risks

Non-compliance risk is defined as the risk of legal, administrative or disciplinary penalties, or of a material financial loss or reputational damage, arising from a failure to comply with banking or financial laws or regulations, with professional or ethical standards, or with instructions issued by the executive body in accordance with the supervisory body's guidelines.

A compliance control system, which is part of Crédit Agricole CIB Group's permanent control system, controls these risks.

PREVENTION AND CONTROL OF NON-COMPLIANCE RISKS

The Compliance Department acts as the 2nd line of defence, in partnership with the business lines, to protect the Bank, its employees and its clients from non-compliance risk. The role of the Compliance function is to:

- protect Crédit Agricole CIB against any potentially harmful or unlawful external actions: fight against fraud and corruption, prevention of money laundering, fight against terrorism financing, obligations in the fields of assets freeze and embargoes, etc.;
- protect the Bank's reputation on the markets as well as its clients' interests against breaches of internal ethical rules and breaches of the professional obligations applicable to the Crédit Agricole CIB Group and its employees (insider trading, price manipulation, dissemination of false information, conflicts of interest, advisory failure, etc.) but also against internal or mixed fraud and internal corruption.

To that end, the Compliance Department:

- provides relevant advice and assists its employees and executive managers by providing them with advice and training on compliance matters;
- defines and organises the compliance control system (governance system, compliance risk mapping, governance texts, monitoring and controlling systems both for the Head Office and for entities within Crédit Agricole CIB's consolidated scope of supervision);
- performs or assigns the necessary ex-ante or ex-post controls, depending on the activities, and in particular monitors the transactions carried out by the Bank on its own account or on behalf of its clients;
- organizes, in conjunction with the Risk and Permanent Control Division, the reporting of any compliance incidents and ensures the rapid implementation of necessary corrective action, in coordination with the Risk and Permanent Control Division and the Audit Division;
- manages the relationships with regulatory and market supervision authorities, in conjunction with the Risks and Permanent Control Division and the Audit Division;
- produces the necessary reports on the quality of the system and the level of the compliance risks for Crédit Agricole S.A.'s Executive Management, Board of Directors, and Compliance Department, as well as to the French and foreign authorities and regulators.

Crédit Agricole CIB has established a non-compliance risk control system aimed at protecting itself against these risks. Specific operational management and monitoring resources are implemented: staff training, adoption of written internal rules, dedicated tools, permanent compliance controls, fulfilment of reporting obligations to regulatory authorities, etc.

The Compliance Management Committee oversees the system for controlling non-compliance risks and ensures that it is appropriate and effective in guaranteeing an adequate level of security. At the same time, the Head of Compliance regularly informs Crédit Agricole CIB's governance bodies and Crédit Agricole S.A.'s Compliance Department of the non-compliance risks to which the Bank is exposed.

Crédit Agricole CIB Group's Compliance function is part of the Crédit Agricole S.A. Group's compliance business line. The Crédit Agricole CIB Group's Compliance business line includes all compliance teams at the head office and local managers of the network and their teams. In order to improve the integration and guarantee the independence of this function, the hierarchical and functional links are as follows:

- the Head of Compliance reports to the Head of Compliance of Crédit Agricole S.A. and is functionally subordinate to the Executive Management of Crédit Agricole CIB;
- Crédit Agricole CIB's Regional Compliance Officers report to the Head of Compliance of Crédit Agricole CIB;
- Crédit Agricole CIB's Local Compliance Officers report to the Regional Compliance Officer (RCO);
- the Compliance Manager of the Wealth Management business line reports hierarchically to Crédit Agricole CIB's Head of Compliance and functionally to the Chief Executive Officer of Private Banking.

In 2021, the Compliance business line continued and intensified its actions to strengthen its resources in terms of profiles and expertise and by adapting its processes.

Crédit Agricole CIB's Compliance organisation is structured around two complementary axes:

- at the head office, the Compliance Division is made up of four integrated pole of expertise, with a global responsibility and organised according to a Customer, Product and/or Employee focus and a cross-functional function:
  - Global Markets Regulatory Compliance (GMRC), in charge of compliance issues related to regulations, laws and financial market codes. As such, GMRC defines effective policies and procedures, defines and deploys training, assesses and identifies non-compliance risks, advises business lines on compliance risks related to their activities and performs second-level controls on compliance risks;
  - Investment & Corporate Banking Regulatory Compliance (ICBRC) is in charge of supervising - for the financing and investment business lines - the overall system of compliance with internal and external standards and is responsible for the compliance of these business lines/coverage within the meaning of the AMF General Regulation. ICBRC is also in charge of establishing the CIB of Crédit Agricole CIB's Conflict of Interest Management Policy and setting up a global system for identifying, preventing and managing conflicts of interest;
  - Financial Security, responsible for the Bank's overall system on the identification, mapping, prevention, control and reporting of risks relating to financial crime: prevention of money laundering, combating the financing of terrorism, obligations under embargoes and asset freezes, as well as external corruption. The Financial Security division processes and controls alerts in relation to financial security at the head office and also intervenes as a last resort in high-risk situations (embargoes);
  - Ethics Advisory Group (EAG), in charge of issues primarily related to ethics, including:
  - Data Protection, in charge of managing non-compliance risks related to data processing;
  - Fight Against Fraud & Corruption, which is responsible for the prevention and detection of corruption and fraud risks at the Bank;
  - Coordination of Compliance Training and Culture, in charge of coordinating Compliance training topics, in conjunction with Human Resources, and promoting the compliance culture within the Bank;

- FATCA governance, in charge of governance and coordination of subjects related to FATCA regulations;
- a General Secretary, supporting the poles of expertise, in charge of coordinating cross-functional issues involving Compliance, with an organisation centred on 3 functions:
- Governance, in charge of cross-functional issues;
- Innovation & Projects, in charge of digital transformation and steering of Compliance cross-business projects;
- The Compliance Control Unit, which handles supervision, coordination and reporting related to the compliance control and KYC quality control system, and performs second-level controls;

- a geographical system guaranteeing compliance by each entity with the Bank's global compliance rules, as well as laws, regulations and local professional standards, under the responsibility of the RCOs (Regional Compliance Officers) and LCOs (Local Compliance Officers);

The Compliance function's main governance body is the Compliance Management Committee, which includes Crédit Agricole CIB's Legal (LGL), Finance and Procurement (FIN), Permanent Control and Risks (RPC) and Periodic Control (IGE) functions and, since 2020, the heads of the Business Line/ Coverage Division. It is chaired by the Deputy Chief Executive Officer of Crédit Agricole CIB in charge of compliance. The Compliance Division of Crédit Agricole S.A. is also a permanent member of this committee. The Compliance Division is also responsible for governance of the New Products (NAP) system and chairs Crédit Agricole CIB's topmost NAP Committee (a mechanism for controlling the risks association with new businesses and products).

In 2021, the Crédit Agricole CIB Compliance Division continued to provide support and advice to the Bank's Executive Management and business lines.

The Compliance Division has also launched various projects and initiatives to continue improving its structure, tools and processes and to increase its resources.

Against this backdrop, the following work was carried out in 2021:

- taking account of regulatory developments with the continuation of ongoing projects, in particular Benchmark, and Brexit;
- the implementation of global projects to strengthen the non-compliance risk management system (in addition to purely local initiatives) with:
  - initiatives aimed at improving customer knowledge, implementing controls on KYC quality, transaction monitoring and the AML alert management system;
  - strengthening the market abuse monitoring framework, including the implementation of new tools and models;
- rallying teams on the international sanctions remediation plan;
- the development of new artificial intelligence tools and solutions to respond in an innovative way to comply with challenges and needs with regard to business line and support function;
- supporting the Bank's Executive Management in its efforts to strengthen the Compliance culture with the continuation of the Embedded Compliance project aimed at strengthening the Compliance system in the first lines of defence. Structured around a number of key areas, this project has:
  - led to the introduction of new governance measures, with a view to giving the business lines increased responsibility;
  - continued to strengthen the compliance culture through training and communication initiatives, particularly targeting the first line of defence;

The Compliance Department of Crédit Agricole Indosuez (CAI), which is responsible for overseeing and coordinating the Private Bank entities, is structured into four separate divisions (Regulatory Compliance, Financial Security, Fight Against Fraud & Corruption, Steering and Governance), thus reinforcing the key role Compliance plays in the governance of the Business Line. These four divisions report to the Head of Compliance for Private Banking.

3. BASEL III PILLAR 3 DISCLOSURES

3.1 COMPOSITION AND MANAGEMENT OF CAPITAL

Under the Basel 3 agreements, (EU) Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulation), as amended by CRR No. 2019/876 (referred to as "CRR2"), requires supervised financial institutions (mainly credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. Crédit Agricole CIB Group's risk management system and exposure levels are described in this section and in the "Risk Management" section of the present 2021 Universal Registration Document.

The Basel 3 agreements are structured around three pillars:

- **Pillar 1** determines the minimum capital adequacy requirements and ratio levels in accordance with current regulatory framework;
- **Pillar 2** supplements the regulatory approach with the quantification of a capital requirement covering the major risks to which the Bank is exposed, based on the methodologies specific to it (see "Internal view of capital adequacy" section);
- **Pillar 3** introduces new standards for financial disclosures to the market. These must detail the components of regulatory capital the assessment of risks, both with regard to the regulations applied and the activity during the period.

Crédit Agricole CIB has opted to disclose its Pillar 3 information in a separate section from the Risk Factors and Risk Management section in order to isolate the information that is required to be disclosed under the regulations.

In accordance with the provisions set out by the CRR 2 Regulation, Crédit Agricole CIB publishes the qualitative and quantitative information required for a large listed institution, included in the consolidation scope of the Crédit Agricole S.A. Group and the Crédit Agricole Group.

Solvency management is primarily aimed at assessing capital and ensuring it is sufficient to cover the risks to which Crédit Agricole CIB is or may be exposed in light of its activities. The objective is to secure customer deposits and give the Group access to the financial markets under the sought-after conditions.

To that end, the Crédit Agricole CIB group measures regulatory capital requirements (Pillar 1) and manages regulatory capital by relying on short- and medium-term forward-looking measures, consistent with budget projections, based on a central economic scenario.

In addition, the Group employs an internal process called ICAAP (Internal Capital Adequacy and Assessment Process), developed in accordance with the interpretation of the regulatory texts specified below. The ICAAP includes in particular:

- governance of capital management, tailored to the specific features of Group subsidiaries and enabling centralised and coordinated oversight at Group level;
- measurement of economic capital requirements, based on the risk identification process and a quantification of capital requirements using an internal approach (Pillar 2);
- performance of ICAAP stress tests, aimed at simulating capital destruction after three years of an adverse economic scenario;
- economic capital management (see "Internal view of capital adequacy" section);
- a qualitative ICAAP that formalises the major areas for risk management improvement.

The ICAAP is highly integrated with the Group's other strategic processes such as the ILAAP (Internal Liquidity Adequacy and Assessment Process), risk appetite, the budget process, the recovery plan and risk identification.

Lastly, solvency and leverage ratios are an integral part of the risk appetite system applied within the Group (described in the chapter entitled "Risk factors and risk management") within the present 2021 Universal Registration Document.

3.1.1 Applicable regulatory framework

The Basel 3 agreements have tightened up the regulatory framework by enhancing the quality and level of regulatory capital required and by adding new risk categories to the regulatory framework. In addition, a specific regulatory framework, which provide for an alternative to bank default, was introduced following the 2008 financial crisis.

The texts on prudential requirements for credit institutions and investment firms were published in the Official Journal of the European Union on 26 June 2013. They include Directive 2013/36/EU (Capital Requirements Directive, aka CRD 4) and Regulation 575/2013 (Capital Requirements Regulation, aka CRR) and came into force on 1 January 2014, in accordance with the transitional provisions provided for in the texts.

Directive 2014/59/EU (Bank Recovery and Resolution Directive) was published on 12 June 2014 in the Official Journal of the European Union and has been applicable in France since 1 January 2016. The European Single Resolution Mechanism Regulation (SRMR, Regulation 806/2014) was published on 15 July 2014 and entered into force on 19 August 2016, in accordance with the transitional provisions provided for in the texts.

On 7 June 2019, four legislative texts constituting the banking package were published in the Official Journal of the European Union:

- CRR2: Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013;
- SRMR 2: Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014;
- CRD 5: Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU;
- BRRD 2: Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/58/EU.

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SRMR 2 and CRR2 entered into force 20 days after they were published, i.e. on 27 June 2019 (although not all provisions were immediately applicable). The CRD 5 and BRRD 2 directives were transposed into French law on 21 December 2020 by Orders 2020-1635 and 2020-1636, respectively, and came into force seven days after they were published, on 28 December 2020.

Regulation 2020/873 (known as the "CRR Quick Fix") was published on 26 June 2020 and came into force on 27 June 2020, amending Regulations 575/2013 (CRR) and 2019/876 (CRR2).

Under CRR2/CRD 5, four levels of capital requirements are calculated:

- the Common Equity Tier 1 (CET1) capital ratio;
- the Tier 1 (T1) capital ratio;
- the total capital ratio;
- the leverage ratio, subject to a Pillar 1 regulatory requirement since 28 June 2021.

These ratios are subject to a phased-in calculation aimed at gradually managing:

- the transition between Basel 2 and Basel 3 calculation rules (the transitional provisions were applied to all capital until 1 January 2018 and apply to hybrid debt instruments until 1 January 2022);
- the eligibility criteria defined by CRR2 (until 28 June 2025 for capital instruments);
- the impacts of the application of IFRS 9.

3.1.2 Supervision and prudential scope

Credit institutions and certain approved investment activities referred to in Annex 1 to Directive 2004/39/EC are subject to solvency and large exposure ratios on an individual and, where applicable, "sub-group" basis.

The French Regulatory Control and Resolution Authority (ACPR) has accepted that certain subsidiaries of the Group may benefit from an individual exemption under the conditions set out in Article 7 of the CRR Regulation. In that regard, the ACPR has provided Crédit Agricole CIB with an exemption on an individual basis.

The transition to single supervision on 4 November 2014 by the European Central Bank did not call into question the individual exemptions previously granted by the ACPR.

The detailed list of entities showing a difference in treatment between accounting scope and prudential scope is presented in the "Notes on regulatory capital" section.

3.1.3 Capital policy

At the Investor Day held on 6 June 2019, the Crédit Agricole CIB group unveiled its financial guidance for the Group Project and the 2022 Medium-Term Plan. Targets in terms of income and scarce resources were specified at that time.

Crédit Agricole S.A.'s subsidiaries under exclusive control and subject to compliance with capital requirements, including the Crédit Agricole CIB Group, are allocated capital at a consistent level, taking into account local regulatory requirements, the capital requirements needed to finance their development and a management buffer tailored to the volatility of their CET1 ratio.

3.1.4 Governance

The Scarce Resources Committee meets each quarter. Meetings are chaired by the Deputy Chief Executive Officer in charge of finance and are also attended by the Chief Risk Officer, the Head of Oversight the Head of Cash Management and representatives of the business lines and Crédit Agricole S.A. representatives.

The main tasks of this committee are to:

- review Crédit Agricole CIB Group's solvency, leverage ratio and resolution projections for the short and medium term;
- validate the main assumptions affecting solvency in line with the Medium-Term Plan;
- set the rules for capital management and allocation between the bank's various business lines within the Group;
- decide on liability management transactions (subordinated debt management);
- keep up to date with supervisory and regulatory developments;
- examine relevant issues relating to subsidiaries;
- prepare any decisions to be submitted to the Board of Directors' Asset-Liability Committee;
- examine any other matters impacting the solvency and resolution ratios at Group level.

Regulatory capital is managed using a process known as capital planning.

The purpose of capital planning is to provide projections of capital and consumption of scarce resources (risk-weighted assets and balance sheet size) over the horizon of the current Medium-Term Plan, with a view to establishing guidance for the solvency ratios (CET1, Tier 1, total capital ratio), and the leverage and resolution ratios (if applicable).

It covers the budget components of the financial trajectory, including structural transaction plans, accounting and prudential regulatory changes, and the reviews of models applied to risk bases. It also reflects the issue policy (subordinated debt and TLAC/MREL-eligible debt) and distribution policy with regard to the capital structure objectives defined in line with the Group's strategy.

It determines the leeway available to the Group for the development of the business lines.

The capital planning is submitted to various governance bodies and is communicated to the competent authorities, either as part of regular information exchanges or in connection with one-off operations (such as authorisation requests)

3.1.5 Prudential capital

3.1.5.1 PRUDENTIAL CAPITAL

Basel 3 defines three levels of capital:

- Common Equity Tier 1 (CET1) capital;
- Tier 1 (T1) capital, which consists of Common Equity Tier 1 and Additional Tier 1 (AT1) capital;
- total capital, consisting of Tier 1 capital and Tier 2 (T2) capital.

All tables and comments below include retained earnings for the period.

Common Equity Tier 1 (CET1) capital

This comprises:

- capital;
- reserves, including share premiums, retained earnings, income net of tax after dividend payments and accumulated other comprehensive income, including unrealised capital gains or losses on financial assets held to collect and sell and translation adjustments;

- minority interests, which are partially derecognised, or even excluded, depending on whether or not the subsidiary is an eligible credit institution; this partial derecognition corresponds to the surplus capital relative to the level needed to cover the subsidiary's capital requirements and applies to each capital tier;
- deductions, which mainly include the following items:
  - CET1 instruments held under liquidity contracts and buyback programmes,
  - intangible assets, including start-up costs and goodwill,
  - prudent valuation, which consists in adjusting the amount of the institution's assets and liabilities if, in accounting terms, it does not reflect a valuation deemed prudent by regulations,
  - deferred tax assets that rely on future profits and arise from tax loss carry forwards,
  - insufficient provisions relative to expected losses for exposures managed under the internal ratings-based approach, as well as expected losses on equity exposures,
  - equity instruments held in financial sector investments of 10% or less (referred to as non-material investments), for the amount exceeding a cap of 10% of the subscriber's CET1 capital, in the proportion of CET1 instruments held out of total equity instruments held; non-deducted items are included in risk-weighted assets (variable weighting according to instrument type and Basel method),
  - deferred tax assets (DTAs) that depend on future profits related to temporary differences in the amount exceeding an individual cap of 10% of the institution's CET1 capital; non-deducted items are included in risk-weighted assets (250% risk weight),
  - CET1 instruments held in financial sector investments of more than 10% (large investments) for the amount exceeding an individual cap of 10% of the institution's CET1 capital; items not deducted are included in risk-weighted assets (250% risk weight),
  - the sum of deferred tax assets (DTAs) depending on future profits related to temporary differences and CET1 instruments held in financial sector investments of more than 10% (referred to as large investments) for the amount exceeding a set cap of 17.65% of the institution's CET1 capital, after calculating the individual caps listed above; non-deducted items are included in risk-weighted assets (250% risk weight).

Additional Tier 1 (AT1) capital

This comprises:

- eligible additional Tier 1 (AT1) capital, which consists of undated debt instruments without any redemption incentives or obligations (particularly including step-up clauses);
- direct deductions of AT1 instruments (including market-making instruments);
- deductions of equity instruments held in financial sector investments of 10% or less (referred to as non-material investments), for the amount exceeding a cap of 10% of the subscriber's CET1 capital, in the proportion of CET1 instruments held out of total equity instruments held; non-deducted items are included in risk-weighted assets (variable weighting according to instrument type and Basel method),
- deductions of AT1 instruments held in financial sector investments of more than 10% (large investments);
- other AT1 capital components or other deductions (including AT1-eligible minority interests).

AT1 instruments eligible for CRR 575/2013 as amended by CRR2019/876 (CRR2) are subject to a loss absorption mechanism that is triggered when the CET1 ratio is below a threshold that must be set at a minimum of 5.125%. Instruments may be converted into equity or suffer a reduction in their nominal value. Payments must be totally flexible (no automatic remuneration mechanisms and/or suspension of coupon payments at the Issuer's discretion are permitted).

AT1 instruments issued by Crédit Agricole CIB include a loss absorption mechanism that triggers when Crédit Agricole CIB's CET1 ratio is below a threshold of 5.125%.

At 31 December 2021, Crédit Agricole CIB's phased-in CET1 ratio was 11.68%. It thus serves as a capital buffer of €8.7 billion for Crédit Agricole CIB relative to the loss absorption threshold of 5.125%.

At 31 December 2021, there was no applicable restriction on the payment of coupons.

CRR2 introduces eligibility criteria. For example, instruments issued by an institution established in the European Union subject to third-country law must include a bail-in clause in order to be eligible. These provisions apply to each category of AT1 and T2 capital instruments.

These instruments are published and detailed on the website: (https://www.ca-cib.com/about-us/financial-information/regulated-information) in Appendix II "Main features of capital instruments"

Tier 2 (T2) capital

This comprises:

- subordinated debt instruments with a minimum maturity of five years and for which:
  - early redemption incentives are prohibited,
  - a discount is applied during the five-year period prior to maturity;
- deductions of direct holdings of Tier 2 instruments (including market-making instruments);
- the provisions in excess of the eligible expected losses determined using the internal ratings-based approach, limited to 0.6% of IRB (internal ratings-based) risk-weighted assets;
- deductions of equity instruments held in financial sector investments of 10% or less (referred to as non-material investments), for the amount exceeding a cap of 10% of the subscriber's CET1 capital, in the proportion of T2 instruments held out of total equity instruments held; non-deducted items are included in risk-weighted assets (variable weighting according to instrument type and Basel method);
- deductions of Tier 2 instruments held in financial sector investments of more than 10% (large investments), mainly from the insurance sector;
- Tier 2 capital components or other deductions (including Tier 2-eligible minority interests).

The amount of Tier 2 instruments used in the fully-loaded ratios is equal to the Tier 2 capital instruments eligible under CRR No. 575/2013 as amended by CRR No. 2019/876 (CRR2).

These instruments are published and detailed on the website: (https://www.ca-cib.com/about-us/financial-information/regulated-information) in Appendix II "Main features of capital instruments"

Transitional provisions

Less stringent transitional provisions were provided for to make it easier for credit institutions to comply with CRR2/CRD 5, thanks to the gradual introduction of the new prudential treatments of capital components.

All these transitional provisions ended on 1 January 2018, with the exception of the provisions relating to hybrid debt instruments, which will cease to apply on 1 January 2022.

Hybrid debt instruments eligible as capital under CRD 3 and are no longer eligible due to the entry into force of CRD 4, may be eligible for a grandfather clause under certain conditions:

- any instruments issued after 31 December 2011 that do not comply with the CRR have been excluded since 1 January 2014;
- instruments with an earlier date of issue may be eligible under the grandfather clause and are gradually excluded over an eight-year period, with a reduction of 10% per year. In 2014, 80% of the total reported at 31 December 2012 was recognised, then 70% in 2015, etc.
- The derecognised share may be included in the next-lower capital tier (from AT1 to Tier 2, for example) if it meets the corresponding criteria.

CRR2 rounded out these provisions by introducing a new grandfather clause: ineligible instruments issued before 27 June 2019 remain eligible under transitional provisions until 28 June 2025.

During the transition phase, the Tier 1 capital used in the ratios is equal to the sum of:

- Additional Tier 1 capital eligible under CRR2 (AT1);
- Additional Tier 1 capital instruments eligible under CRR issued before 27 June 2019;
- a fraction of the CRR-ineligible Tier 1 capital issued before 1 January 2014, equal to at least:
  - the prudential amount of the ineligible Tier 1 instruments at the end of the reporting period (after any calls, redemptions, etc.)
  - 10% (regulatory threshold for fiscal year 2021) of the total Tier 1 capital at 31 December 2012, which stood at €4,691 million, i.e. a maximum recognisable amount of €469 million.
  - The amount of the Tier 1 capital exceeding this prudential threshold is included in the phased-in Tier 2 capital, up to the prudential threshold applicable to Tier 2 capital.

During the transition phase, the Tier 2 capital amount used in the ratios is equal to the sum of:

- CRR2-eligible Tier 2 capital;
- Tier 2 capital instruments eligible under CRR issued before 27 June 2019;
- a fraction of the CRR-ineligible Tier 2 capital issued before 1 January 2014, equal to at least:
  - the prudential amount of the ineligible Tier 2 securities on the reporting date and, where applicable, the remainder of the Tier 1 securities exceeding the 10% threshold (threshold for fiscal year 2021) for ineligible Tier 1 securities,
  - 10% (threshold for fiscal year 2021) of CRR-ineligible Tier 2 capital at 31 December 2012, which stood at €680 million, i.e. a maximum recognisable amount of €68 million.

Lastly, the “Quick Fix” regulation of 26 June 2020 has extended, to 2024, the application of the transitional provisions provided for by the CRR relating to the inclusion in solvency ratios of the impact of applying accounting standard IFRS 9. Crédit Agricole CIB did not opt to apply this provision on the first-time application of IFRS 9 in 2018. Following the publication of the Quick Fix regulation, the decision was made to opt for this provision as from the recording date of 30 June 2020.

During the transition phase (until 2024), the impacts associated with the application of IFRS 9 may be included in CET1 capital, based on a calculation consisting of several components:

- a static component serving to neutralise some of the impact of the first-time application of IFRS 9. In 2021, neutralisation was carried out based on a rate of 50%;
- a dynamic component, serving to neutralise some of the net increase in provisions recorded between 1 January 2018 and 1 January 2020 on performing loans (compartments 1 and 2 of IFRS 9). In 2021, neutralisation was carried out based on a rate of 50%;
- A second dynamic component, serving to neutralise some of the net increase in provisions recorded between 1 January 2020 and the reporting date on performing loans (compartments 1 and 2 of IFRS 9). In 2021, neutralisation was carried out based on a rate of 100%.

3.1.5.2 POSITION AS OF 31 DECEMBER 2021

Simplified regulatory capital

€ million	31.12.2021 phased-in	31.12.2021 fully-loaded	31.12.2020 phased-in	31.12.2020 fully-loaded
EQUITY - GROUP SHARE [1]	**26,400**	**26,400**	**22,484**	**22,484**
(-) Expected dividend	-	-	-	-
(-) AT1 instruments accounted as equity	**-**	**-**	**-**	**-**
Eligible minority interests	-	-	-	-
(-) Prudential filters	(915)	(915)	(1,040)	(1,040)
o/w: Prudent valuation	(772)	(772)	(508)	(508)
(-) Deduction of goodwill and intangible assets	(1,367)	(1,367)	(1,286)	(1,286)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(12)	(12)	(21)	(21)
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach	(7)	(7)	(7)	(7)
Amount exceeding thresholds	-	-	-	-
Insufficient coverage for non-performing exposures	(1)	(1)	-	-
Other CET1 components	(8,508)	(8,723)	(5,595)	(5,595)
COMMON EQUITY TIER 1 (CET1)	**15,590**	**15,375**	**14,534**	**14,534**
Additional Tier 1 (AT1) instruments	8,378	7,909	5,587	4,649
Other AT1 components	40	40	(82)	(82)
TOTAL TIER 1	**24,008**	**23,324**	**20,040**	**19,102**
Tier 2 instruments	3,511	3,458	3,362	3,225
Other Tier 2 components	473	473	412	412
TOTAL CAPITAL	**27,991**	**27,255**	**23,814**	**22,739**

[1] *Information covered by the Stautory auditors' opinion.*

For the sake of clarity, the complete table on the composition of capital (EU CC1) is presented in Pillar 3 available on the website: Regulated information | Crédit Agricole CIB (ca-cib.fr).

Change over the period

Fully-loaded Common Equity Tier 1 (CET1) capital amounted to €15.4 billion at 31 December 2021, representing an increase compared to end-2020 (+€0.8 billion).

The changes are detailed below by ratio category:

- capital instruments and reserves amounted to €17.7 billion, up +€0.8 billion compared to end-2020, mainly due to the share of retained earnings in 2021.
- prudential filters were down slightly (positive impact of +€0.1 billion) compared to end-2020;
- deductions for goodwill and other intangible assets amounted to -€1.4 billion, an increase of (negative impact of -€0.1 billion in 2021).

Phased-in Common Equity Tier 1 (CET1) amounted to €15.6 billion at 31 December 2021, i.e. a difference of +€0.2 billion compared to fully-loaded Common Equity Tier 1 (CET1) capital. This difference is entirely due to a measure under the Quick Fix Regulation of 26 June 2020, referred to in the paragraph on transitional provisions, which extended the possibility of incorporating the impacts of the application of IFRS 9 in solvency ratios to 2024. During this transitional phase, the impacts related to the application of IFRS 9 may thus be included in CET1 capital, which the CACIB Group has opted to do as of this reporting date.

Fully-loaded Tier 1 (T1) capital totalled €23.3 billion, an increase of +€4.2 billion versus 31 December 2020, corresponding to the increase in Additional Tier 1 capital (+€3.4 billion) due to several issues of additional capital instruments carried out in February 2021 ($0.7 billion), March 2021 (€0.6 billion replacing the redemption of an issue for the same amount) and June 2021 (€2.6 billion);

Phased-in Tier 1 (T1) capital stood at €24.0 billion, up +€4.0 billion compared to 31 December 2020, with an increase in Additional Tier 1 capital of +€2.9 billion;

Ineligible **AT1 capital instruments** with a grandfather clause were down -€0.5 billion as a result of a partial buy-back. Furthermore, the total amount of securities subject to a grandfather clause under CRR remained lower, making it possible to include, in addition to CRR-eligible instruments, a debt amount corresponding to a maximum of 10% of the total at 31 December 2012.

At €3.9 billion, **fully-loaded Tier 2 capital** was up by +€0.3 billion compared with 31 December 2020. This change is mainly due to an issue carried out in January 2021.

Phased-in Tier 2 (T2) capital amounted to €4.0 billion, up +€0.2 billion compared to 31 December 2020.

Furthermore, the total amount of securities subject to a grandfather clause under CRR remained lower, making it possible to include, in addition to CRR-eligible instruments, a debt amount corresponding to a maximum of 10% of the total at 31 December 2012.

Fully-loaded total capital amounted to €27.3 billion, up +€4.5 billion compared with 31 December 2020.

Overall, phased-in total capital amounted to €28.0 billion, up +€4.2 billion versus 31 December 2020.

3.1.6 Capital adequacy

Capital adequacy from a regulatory perspective concerns solvency ratios, the leverage ratio and resolution ratios. Each of these ratios reports an amount of prudential capital and/or instruments eligible for exposure to risk, leverage or balance sheet size. The definitions and calculations of these exposures are described in the section 3.2 "Composition and changes in risk-weighted assets" section. The regulatory view is supplemented by the internal view of capital adequacy, which concerns the coverage of economic capital requirements by internal capital.

3.1.6.1 SOLVENCY RATIOS

The purpose of solvency ratios is to verify the adequacy of the various capital compartments (CET1, Tier 1 and total capital) to risk-weighted assets arising from credit, market and operational risks. These risks are calculated either using the standardized approach or the internal approach (see section 3.2 "Composition and changes in risk-weighted assets" section).

Prudential requirements

Pillar 1 requirements are governed by Regulation (the CRR). The regulator also sets minimum requirements within the framework of Pillar 2 on a discretionary basis.

▶ The overall capital requirement is as follows:

SREP capital requirement	31.12.2021	31.12.2020
Pillar 1 minimum CET1 requirement	4.50%	4.50%
CET1 additional Pillar 2 requirement (P2R)	0.84%	0.84%
Combined buffer requirement	2.54%	2.54%
CET1 requirement	**7.88%**	**7.88%**
Pillar 1 minimum AT1 requirement	1.50%	1.50%
AT1 component of P2R	0.28%	0.28%
Pillar 1 minimum Tier 2 requirement	2.00%	2.00%
Tier 2 component of P2R	0.38%	0.38%
Overall capital requirement	**12.04%**	**12.04%**

Crédit Agricole CIB must comply with a minimum CET1 ratio of 7.88%. This level includes Pillar 1, Pillar 2 (P2R) capital requirements, supplemented by total capital buffer requirements (based on the decisions known to date).

Minimum Pillar 1 requirements

Pillar 1 capital requirements include a minimum CET1 capital ratio of 4.5%, a minimum Tier 1 capital ratio of 6% and a minimum total capital ratio of 8%

Minimum Pillar 2 requirements

The Crédit Agricole CIB Group is notified annually by the European Central Bank (ECB) of the minimum capital requirements following the publication of the results of the Supervisory Review and Evaluation Process (SREP).

- a Pillar 2 Requirement (P2R) of 1.5%. This requirement applies to all the capital tiers and automatically leads to capital distribution restrictions (coupons of additional Tier 1 capital instruments, dividends, variable remuneration) in the event of non-compliance; this requirement is therefore public. 75% of P2R can be covered by Tier 1 capital, at least 75% of which must be CET1 capital;
- Pillar 2 Guidance (P2G) that is not public and must be fully comprised of Common Equity Tier 1 (CET1) capital.

Combined buffer requirements and distribution restriction threshold

Regulations have provided for the establishment of capital buffers, to be fully covered by Common Equity Tier 1 capital and subject to the following overall requirements:

Combined buffer requirement	31.12.2021	31.12.2020
Phased-in capital conservation buffer	2.50%	2.50%
Phased-in systemic buffer	0.00%	0.00%
Countercyclical buffer	0.04%	0.04%
Combined buffer requirement	**2.54%**	**2.54%**

MORE SPECIFICALLY:

- the conservation buffer (2.5% of risk-weighted assets in 2021); which aims to absorb losses in a situation of intense economic stress;
- the countercyclical buffer (rate in principle set in a range of 0% to 2.5%), which aims to combat excessive credit growth. The rate is set by the competent authorities of each State (the HCSF in France) and the buffer at institution level being an average weighted by the exposures at default (EAD) of the buffers defined for each country where the institution has operations; where the rate of a countercyclical buffer is calculated for a country of operation, the effective date is no more than 12 months after the date of publication, except in exceptional circumstances;
- the systemic risk buffer (generally between 0% and 3%, and up to 5% with the approval of the European Commission, and higher in exceptional cases) aims to prevent or mitigate the non-cyclical aspect of the risk. It is set by the competent authorities of each State (the HCSF in France) and depends on the structural characteristics of the banking sector, in particular its size, degree of concentration and contribution to the funding of the economy.
- systemically important bank buffers (0% to 3% generally, up to 5% with the approval of the European Commission, and higher in exceptional cases); for Global Systemically Important Institutions (G-SIIs, between 0% and 3.5%) or for other systemically important institutions (O-SIIs, between 0% and 2%). These buffers are not cumulative and, generally speaking, with some exceptions, the highest buffer applies. Only the Crédit Agricole Group is a G-SII and has had a buffer of 1% since 1 January 2019. The Crédit Agricole CIB Group is not subject to such requirements. When an institution is subject to a systemically important institution buffer (G-SII or O-SII) and a systemic risk buffer, both buffers are cumulative.

To date, countercyclical buffers have been activated in six countries by the competent national authorities.

Given Crédit Agricole CIB's exposures in these countries, Crédit Agricole CIB's countercyclical buffer was 0.04% at 31 December 2021.

▶ Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (EU CCYB1)

€ million	31.12.2021												
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
Breakdown by country:	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Germany	10	10,833	-	-	2,751	13,594	271	-	29	300	3,748	-	-
Belgium	3	2,827	-	-	-	2,831	60	-	-	60	747	0.83 %	0.00 %
Bulgaria	-	10	-	-	-	10	-	-	-	-	3	0.00 %	0.50 %
Denmark	-	1,030	-	-	74	1,104	15	-	1	16	201	0.22 %	0.00 %
France	2,542	41,508	186	2,350	19,564	66,150	1,179	203	318	1,700	21,249	23.49 %	0.00 %
Hong Kong	33	5,757	-	-	-	5,790	100	-	-	100	1,246	1.38 %	1.00 %
Ireland	7	3,581	-	-	65	3,653	91	-	1	92	1,153	1.28 %	0.00 %
Lithuania	-	-	-	-	-	-	-	-	-	-	-	0.00 %	0.00 %
Luxembourg	114	12,742	-	-	3,162	16,018	270	-	0	270	3,378	3.73 %	0.50 %
Norway	-	1,694	-	-	101	1,794	47	-	1	48	600	0.66 %	1.00 %
Czech Republic	-	75	-	-	-	75	2	-	-	2	24	0.03 %	0.50 %
United-kingdom	94	15,739	-	-	2,693	18,527	436	-	45	481	6,015	6.65 %	0.00 %
Slovakia	-	3	-	-	-	3	-	-	-	-	1	0.00 %	1.00 %
Sweden	30	1,481	-	-	32	1,543	52	-	-	52	654	0.72 %	0.00 %
Other countries *	3,395	124,889	-	-	30,190	158,473	3,717	-	398	4,115	51,437	56.86 %	0.00 %
Total	**6,230**	**222,168**	**186**	**2,350**	**58,632**	**289,566**	**6,240**	**203**	**794**	**7,236**	**90,456**	**100.00 %**	**0.04 %**

**For which no countercyclical buffer has been defined by the competent authority*

▶ Amount of institution-specific countercyclical capital buffer (EU CCYB2)

€ million		31.12.2021	31.12.2020
1	Total risk exposure amount	133,515	124,143
2	Institution specific countercyclical capital buffer rate	0.04%	0.04%
3	**Institution specific countercyclical capital buffer requirement**	**52**	**47**

The transposition of Basel regulations into European law (via CRD 4 and their transposition into French law) introduced a distribution restriction mechanism that applies to dividends, AT1 instruments and variable remuneration. The principle behind the Maximum Distributable Amount (MDA), i.e. the maximum amount that a bank is authorised to allocate to distributions, is intended to restrict distributions if they would result in a breach of the combined buffer requirement.

The distance to the MDA triggering threshold is the lowest of the respective distances to the SREP requirements in CET1, Tier 1 equity capital and total capital requirements.

	CET1 SREP requirement	Tier 1 SREP requirement	Overall capital SREP requirement
Pillar 1 minimum requirement	4.50%	6.00%	8.00%
Pillar 2 requirement (P2R)	0.84%	1.13%	1.50%
Conservation buffer	2.50%	2.50%	2.50%
Systemic risk buffer	0.00%	0.00%	0.00%
Countercyclical buffer	0.04%	0.04%	0.04%
SREP requirement (a)	**7.88%**	**9.66%**	**12.04%**
31/12/2021 Phased-in solvency ratios (b)	**11.68%**	**17.98%**	**20.96%**
Distance to SREP requirement (b-a)	379bp	832bp	893bp
Distance to MDA trigger threshold	**379 bp (€5bn)**	**-**	**-**

At 31 December 2021, the Crédit Agricole CIB Group had a buffer of 379 basis points above the MDA trigger point, i.e. approximately €5.1 billion in CET1 capital.

Position as of 31 December 2021

	31.12.2021		31.12.2020	
€ million	Phased-in	Requirements	Phased-in	Requirements
CET1 RATIO	11.68%	7.88%	11.71%	7.88%
TIER 1 RATIO	17.98%	9.66%	16.14%	9.66%
TOTAL CAPITAL RATIO	20.96%	12.04%	19.18%	12.04%

The applicable minimum requirements are fully observed; Crédit Agricole CIB's phased-in CET1 ratio was 11.68% at 31 December 2021.

Change in CET1 over 2021

The CET1 ratio fell by 0.03 percentage points in 2021, mainly due to the increase in risk-weighted assets (-0.82 percentage point), offset by the increase in capital resulting from the share of income for the year retained in reserves (+0.85 percentage point).

Impact of the application of IFRS 9 transitional provisions

The transitional provisions of IFRS 9 were applied for the first time in accordance with the Decree of 30 June 2021.

Quantitative model (EBA/GL/2020/12)

Comparison of capital and leverage/capital ratios of institutions with and without the application of transitional provisions relating to IFRS 9 or analogous ECLs (IFRS 9-FL).

€ million		31.12.2021	31.12.2020
Available capital (amounts)			
1	Common Equity Tier 1 (CET1) capital	15,590	14,534
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15,375	14,534
3	Tier 1 capital	24,008	20,040
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	23,793	20,040
5	Total capital	27,991	23,814
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	27,776	23,814
Risk-weighted assets (amounts)			
7	Total risk-weighted assets	133,515	124,143
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	133,508	124,143
Capital ratios			
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	11.68%	11.71%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11.52%	11.71%
11	Tier 1 (as a percentage of risk exposure amount)	17.98%	16.14%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.82%	16.14%
13	Total capital (as a percentage of risk exposure amount)	20.96%	19.18%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.80%	19.18%
Leverage ratio			
15	Leverage ratio total exposure measure	593,757	566,283
16	Leverage ratio	4.04%	3.54%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.01%	3.54%

Crédit Agricole CIB does not apply the temporary treatment described in Article 468 of CRR No. 2019/876 and was not impacted by any change in this provision during the period. Crédit Agricole CIB's capital and leverage/capital ratios already reflect the total impact of unrealised gains and losses measured at fair value through other comprehensive income.

3.1.6.2 LEVERAGE RATIO

Regulatory framework

The leverage ratio is calculated to help preserve financial stability by providing a safety net in addition to the risk-based capital requirements and by limiting the accumulation of excessive leverage during economic upturns. It was defined by the Basel Committee in connection with the Basel III agreements and transposed into European law through Article 429 of the CRR, amended by Delegated Regulation 62/2015 of 10 October 2014, and published in the Official Journal of the European Union on 18 January 2015.

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

Since the publication of the European CRR2 regulation in the Official Journal of the European Union on 7 June 2019, the leverage ratio has been subject to a minimum Pillar 1 requirement, applicable as from 28 June 2021.

Under CRR2, certain Central Bank exposures may be excluded from total leverage ratio exposure when justified by exceptional macroeconomic circumstances. Where this exemption is applied, institutions must meet an adjusted leverage ratio requirement of more than 3%. On 18 June 2021, the European Central Bank announced that credit institutions under its supervision may apply this exclusion given the existence of exceptional circumstances since 31 December 2019; this measure is applicable until 31 March 2022. Crédit Agricole CIB applies this provision and must therefore comply with a leverage ratio requirement of 3.06% during this period.

Since 1 January 2015, it has been mandatory to disclose the leverage ratio at least once a year: institutions can choose to disclose a fully-loaded ratio or a phased-in ratio. If an institution decides to change its choice of disclosure option, when it discloses the new ratio for the first time, it must reconcile the data for all of the ratios previously disclosed with the data for the new ratio chosen.

Crédit Agricole CIB has chosen to publish the leverage ratio in a phased-in format.

◆ Position as of 31 December 2021

▶ Publication of qualitative information on the leverage ratio (EU LRA)

Crédit Agricole CIB's leverage ratio stands at 4.04% on a phased-in Tier 1 basis after neutralising Central Bank exposures. Applying this measure neutralised Central Bank exposures in the amount of €41.3 billion at 31 December 2021.

The leverage ratio rose +0.50 percentage points in 2021, mainly due to the neutralisation of Central Bank exposures and the increase in T1 capital.

The leverage ratio is not sensitive to risk factors and, as such, it is viewed as a measurement that supplements the system of solvency management and liquidity management already limiting the size of the balance sheet. For the purposes of managing excessive leverage, constraints are set on leverage in certain activities considered volatility yet limited consumers of risk-weighted assets.

▶ Leverage ratio – common disclosure (EU LR2)

€ million		31.12.2021	30.06.2021
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	368,398	341,991
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	5,120	8,550
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(17,852)	(18,579)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(2,093)	(2,171)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**353,572**	**329,791**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	20,460	20,095
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	48,847	44,023
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	15,249	13,731
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(4,711)	(3,933)
13	**Total derivatives exposures**	**79,846**	**73,917**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	315,678	364,010
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(198,193)	(227,956)
16	Counterparty credit risk exposure for SFT assets	7,369	12,399
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**124,854**	**148,453**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	237,530	251,639
20	(Adjustments for conversion to credit equivalent amounts)	(102,888)	(109,710)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**134,642**	**141,929**
Excluded exposures			
EU-22a	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	(44,432)	(30,621)
EU-22b	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-

€ million		31.12.2021	30.06.2021
EU-22c	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22d	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22e	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22f	(Excluded excess collateral deposited at triparty agents)	(13,343)	(12,676)
EU-22g	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22h	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22i	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22j	(Total exempted exposures)	-	-
EU-22k	**(Total exempted Exposures)**	**(57,774)**	**(43,297)**
Capital and total exposure measure			
23	**Tier 1 capital**	**24,008**	**23,053**
24	**Total exposure measure**	**593,757**	**620,473**
Leverage ratio			
25	**Leverage ratio (%)**	**4.04%**	**3.72%**
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	**4.04%**	**3.72%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	**3.78%**	**3.54%**
26	Regulatory minimum leverage ratio requirement (%)	**3.06%**	**3.06%**
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	**0.00%**	**0.00%**
EU-26b	of which: to be made up of CET1 capital	**0.00%**	**0.00%**
27	Leverage ratio buffer requirement (%)	**0.00%**	**0.00%**
EU-27a	Overall leverage ratio requirement (%)	**3.06%**	**3.06%**
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	154,304	161,243
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	117,485	136,054
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	630,576	645,662
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	671,959	676,012
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**3.81%**	**3.57%**
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**3.57%**	**3.41%**

▶ Summary reconciliation of accounting assets and leverage ratio exposures (EU LR1)

€ million		31.12.2021
1	Total assets as per published financial statements	599,721
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(8,114)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	(41,383)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	(150,287)
9	Adjustment for securities financing transactions (SFTs)	(190,824)
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	134,844
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	(44,432)
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	294,231
13	**Total exposure measure**	**593,757**

▶ Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (EU LR3)

€ million		31.12.2021
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**279,682**
EU-2	Trading book exposures	36,322
EU-3	Banking book exposures, of which:	243,359
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	53,088
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	3,671
EU-7	Institutions	26,110
EU-8	Secured by mortgages of immovable properties	432
EU-9	Retail exposures	15,338
EU-10	Corporates	128,141
EU-11	Exposures in default	3,613
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	12,967

3.1.6.3 INTERNAL VIEW OF CAPITAL ADEQUACY

In the interest of assessing and maintaining capital adequacy at all times in order to cover the risks to which it is (or may) be exposed, Crédit Agricole CIB supplements the regulatory view of its capital adequacy system with an internal view of capital adequacy. Accordingly, the measurement of regulatory capital requirements (Pillar 1) is expanded with a measurement of economic capital requirement (Pillar 2), which is based on the risk identification process and an assessment using an internal approach. The economic capital requirement must be covered by internal capital, i.e. the internal view of available capital defined by Crédit Agricole Group.

The assessment of economic capital requirement is one of the components of the ICAAP (Internal Capital Adequacy Assessment Process), which also covers the stress test programme in order to introduce a forward-looking view of the impact of more adverse scenarios on Crédit Agricole CIB's risk level and solvency.

The oversight and management of capital adequacy from an internal perspective are developed in accordance with the interpretation of the main regulatory texts:

- the Basel agreements;
- CRD 5 via its transposition into French regulations by the Order of 21 December 2020;
- the European Banking Authority guidelines;
- the regulatory requirements for the ICAAP and ILAAP and the harmonised collection of associated information.

◆ ICAAP information (EU OVC)

The following items meet the disclosure requirements of Article 438 (points a and c) of CRR2.

Crédit Agricole Group has implemented a system for measuring economic capital requirement at the level of the Crédit Agricole Group, Crédit Agricole S.A. and the Group's main French and foreign entities.

The process for the identification of major risks aims, initially, to record, as comprehensively as is possible, all the risks that may impact the balance sheet, income statement, regulatory ratios or the reputation of a particular entity or of the Group and to classify them into categories and sub-categories, using the same terms as those used for the whole of Crédit Agricole Group. Secondly, the objective is to assess the importance of these risks systematically and comprehensively in order to identify the major risks.

The risk identification process makes use of multiple sources: an internal analysis based on information collected from the Risk function and other control functions, supplemented by an analysis based on external data. It is formalised for each entity and for Crédit Agricole Group, coordinated by the Risk function and approved by the Board of Directors.

For each of the major risks identified, the economic capital requirement is quantified as follows:

- the risk measures already addressed by Pillar 1 are reviewed and, where applicable, supplemented by economic capital adjustments based on internal approaches;
- the economic capital requirements in relation to risks that are not addressed by Pillar 1 are specifically calculated, based on internal approaches.

The consistency of all methodologies used to measure economic capital requirement is ensured by specific governance within Crédit Agricole Group.

The measurement of economic capital requirement is supplemented by a projection for the current year, in line with *capital planning* forecasts at that date, in order to incorporate the impact of changes in activity on the risk profile.

The list of major risks is updated and approved annually. The main risk groups are:

- credit risks;
- financial risks, including in particular market risks and interest rate and foreign exchange risks in the banking book;
- operational risks; and
- other risks, including activity risk and climate risk.

At 31 December 2021, the economic capital requirements relating to risks subject to quantification at Crédit Agricole CIB level are covered by internal capital.

Crédit Agricole S.A. entities subject to the measurement of economic capital requirement within their scope are responsible for its deployment in accordance with the standards and methodologies defined by the Group. In particular, they must ensure that the system for measuring economic capital requirement is subject to appropriate organisation and governance. The economic capital requirement determined by the entities is reported in detail to Crédit Agricole S.A.

In addition to the quantitative aspect, the Group's approach also has a qualitative component that supplements the measurement of economic capital requirement with indicators on the exposure to risk and the permanent controls carried out by business lines. The qualitative component has three objectives:

- to evaluate the risk management and control system of the entities in the scope of deployment in various areas;
- if necessary, to identify and formalise areas in which the risk management and permanent control system may be improved;
- to identify any items that have not been correctly analysed by the quantitative ICAAP measurements.

3.1.7 Note on regulatory capital

▶ Differences in the treatment of equity investments between the accounting and prudential scopes

Type of investment	Accounting treatment	Fully loaded Basel III regulatory capital treatment
Subsidiaries with a financial activity	Fully consolidated	Fully consolidated, generating capital requirements for the subsidiary's operations.
Jointly held subsidiaries with a financial activity	Equity method	Proportionate consolidation.
Subsidiaries with an insurance activity	Fully consolidated	CET1 instruments held in more than 10%-owned entities are deducted from CET1 capital, above the exemption limit of 17.65% of CET1 capital. This exemption, which is applied after determining the 10% threshold, is combined with the non-deducted share of deferred tax assets that rely on future profitability arising from temporary differences.
		AT1 and T2 instruments are deducted from AT1 capital and T2 capital, respectively.
Investments > 10% with a financial activity by type	Equity method Investments in credit institutions	The equity-accounted amount of investments in more than 10%-owned entities is deducted from CET1 capital, above the exemption limit of 17.65% of CET1 capital. This exemption, which is applied after determining the 10% threshold, is combined with the non-deducted share of deferred tax assets that rely on future profitability arising from temporary differences.
		AT1 and T2 instruments are deducted from AT1 capital and T2 capital, respectively.
Investments < 10% or less with a financial or insurance activity	Available-for-sale equity investments and securities	CET1, AT1 and T2 instruments held in less than 10%-owned entities are deducted from CET1 capital, above the exemption limit of 10% of CET1 capital.
ABCP (asset-backed commercial paper) securitisation vehicles	Full consolidation	The equity-accounted amount and commitments on these entities are risk-weighted (liquidity facilities and letters of credit).

▶ Outline of the differences in the scopes of consolidation (LI3: entity by entity) (1)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation			Description of the entity
		Full consolidation	Proportional consolidation	Equity method	
UBAF	Equity-method		X		FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
CAIRS Assurance S.A.	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Insurance
Atlantic Asset Securitization LLC	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
LMA SA	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
Héphaïstos Multidevises FCT	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
Eucalyptus FCT	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
Pacific USD FCT	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
Pacific EUR FCC	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
Pacific IT FCT	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
Triple P FCC	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
ESNI (Crédit Agricole CIB sub-fund)	Overall			X	FINANCIAL & INSURANCE ACTIVITIES - Financial and insurance auxiliary activities
La Fayette Asset Securitization LLC	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
La Route Avance	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
FCT CFN DIH	Overall			X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds

(1) The scope of consolidation is fully described in Note 12 to the consolidated financial statements.

3.2 COMPOSITION AND CHANGES IN RISK-WEIGHTED ASSETS

3.2.1 Overview of risk-weighted assets

The overall solvency ratio, as presented in the prudential ratio table, is equal to the ratio of the total capital to the sum of the credit, market and operational risk-weighted exposures.

The capital requirements set out below by type of risk, method and exposure class (for credit risk) are equal to 8% (regulatory minimum) of the weighted exposures (average risk weight) presented in the prudential ratio table.

3.2.1.1 OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (OV1)

Credit, market and operational risk-weighted assets amounted to €133.5 billion at 31 December 2021, compared with €124.1 billion at 31 December 2020.

		Risk weighted exposure amounts (RWEAs)			Total own funds requirements
€ million		31.12.2021	30.09.2021	31.12.2020	31.12.2021
1	**Credit risk (excluding CCR)**	**74,134**	**75,580**	**68,026**	**5,931**
2	Of which the standardised approach	7,161	10,376	11,085	573
3	Of which the Foundation IRB (F-IRB) approach	1,761	-	-	141
4	Of which slotting approach	-	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	1,155	1,086	1,151	92
5	Of which the Advanced IRB (A-IRB) approach	63,467	63,513	55,337	5,077
6	**Counterparty credit risk - CCR**	**18,242**	**18,686**	**18,723**	**1,459**
7	Of which the standardised approach [1]	954	1,232	-	76
8	Of which internal model method (IMM)	10,175	10,297	10,379	814
EU 8a	Of which exposures to a CCP	341	447	294	27
EU 8b	Of which credit valuation adjustment - CVA	3,951	3,938	3,975	316
9	Of which other CCR	2,822	2,773	4,075	226
15	**Settlement risk**	**15**	**26**	**1**	**1**
16	**Securitisation exposures in the non-trading book (after the cap)**	**9,862**	**9,355**	**8,473**	**789**
17	Of which SEC-IRBA approach	3,180	3,178	2,370	254
18	Of which SEC-ERBA (including IAA)	5,508	5,084	5,177	441
19	Of which SEC-SA approach	1,174	1,093	926	94
EU 19a	Of which 1250% / deduction	-	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**9,104**	**8,232**	**6,614**	**728**
21	Of which the standardised approach	1,694	1,463	1,280	136
22	Of which IMA	7,409	6,769	5,333	593
EU 22a	**Large exposures**	**-**	**-**	**-**	**-**
23	**Operational risk**	**22,159**	**22,426**	**22,307**	**1,773**
EU 23a	Of which basic indicator approach	-	-	-	-
EU 23b	Of which standardised approach	530	480	496	42
EU 23c	Of which advanced measurement approach	21,629	21,946	21,812	1,730
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	1,434	1,357	1,352	115
29	**TOTAL**	**133,515**	**134,305**	**124,143**	**10,681**

[1] Following the implementation of the of regulation (UE) n°2019/876 (CRR2) since June 30, 2021, exposure to derivatives previously modelled using the CEM method are now assessed using the SA-CCR standard approach.

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3.2.1.2 CHANGES IN RISK-WEIGHTED ASSETS

The table below shows the changes in Crédit Agricole CIB Group's risk-weighted assets in 2021.

€ million	31.12.2020	Foreign exchange	Organic change	Rating impacts	Impacts of models and regulation changes	Total variation 2021	31.12.2021
Credit and counterparty risk	95,222	3,415	(1,601)	2,199	3,002	7,015	102,238
Of which CVA	3,975	-	(23)	-	-	(23)	3,951
Market risk	6,614	-	2,191	-	313	(2,504)	9,118
Operational risk	22,307	-	(148)	-	-	(148)	22,159
TOTAL	**124,143**	**3,415**	**442**	**2,199**	**3,314**	**9,371**	**133,515**

Risk-weighted assets stood at €133.5 billion, up +€9.4 billion in 2021.

This change can mainly be attributed to:

- The appreciation of the USD against the EUR in the amount of +€3.4 billion;
- the +€6 billion change at constant rates attributable principally to:
  - an organic decrease in credit and counterparty risk excluding CVA (-€1.6 billion);
  - regulatory and model effects in the amount of +€3.3 billion;
  - portfolio effects on credit risk (+€2.2 billion);
  - an increase in market risks (+€2.2 billion);
  - a decrease in operational risk (-€0.1 billion).

3.2.2 Credit and counterparty risks

Definitions:

- probability of default (PD): the probability that a counterparty will default within a period of one year;
- loss given default (LGD): the ratio between the loss incurred upon counterparty default and the amount of the exposure at the time of default;
- gross exposures: the amount of exposure (on and off-balance sheet) before the use of credit risk mitigation techniques and before the use of the credit conversion factor (CCF);
- exposures given default (EGD): the amount of exposure (on and off-balance sheet) after the use of credit risk mitigation techniques and after the use of the credit conversion factor (CCF);
- credit conversion factor (CCF): ratio reflecting, at the time of default, the percentage of the outstanding not drawn down one year before the default;
- risk-weighted assets (RWA): exposure at default (EAD) after application of a weighting coefficient;
- valuation adjustments: impairment losses on a specific asset due to credit risk, recognised either through a partial write-down or a deduction from the carrying amount of the asset;
- external credit ratings: credit ratings established by an external credit rating agency recognised by the ECB.

In Section I, a general view of the change in credit and counterparty risk is presented followed by a more detailed point on the credit risk in Section II, by type of prudential method: in standard type of method and in IRB method. The counterparty risk is treated in Section III followed by Section IV devoted to credit and counterparty risk mitigation mechanisms.

3.2.2.1 GENERAL PRESENTATION OF CREDIT AND COUNTERPARTY RISK

◆ Exposure by type of risk

The table below shows the Crédit Agricole CIB Group's exposure to overall risk (credit, counterparty, dilution and settlement/delivery) by exposure class, under the standardised approach and the IRB approach at 31 December 2021 and 31 December 2020.

The 16 exposure classes under the standardised approach are combined to ensure a consistent presentation with IRB exposures.

▶ Gross exposure and exposure at default (EAD) to overall risk (credit, counterparty, dilution and settlement/delivery) at 31 December 2021

	31.12.2021												
	Standardised				IRB				Total				
€ million	Gross exposure [1]	Gross exposure after CRM [2]	EAD	RWA	Gross exposure [1]	Gross exposure after CRM [2]	EAD	RWA	Gross exposure [1]	Gross exposure after CRM [2]	EAD	RWA	Capital requirement
Central governments or central banks	1,254	1,274	1,224	1,009	108,608	120,404	118,045	1,268	109,862	121,678	119,268	2,277	182
Institutions	11,062	30,152	29,897	818	86,907	101,125	91,447	7,164	97,969	131,277	121,344	7,982	639
Corporates	22,363	3,209	2,431	2,298	296,126	254,504	206,765	69,874	318,489	257,712	209,196	72,172	5,774
Retail customers	303	246	246	185	15,091	15,091	15,091	558	15,394	15,337	15,337	743	59
Loans to individuals	303	246	246	185	14,930	14,930	14,930	547	15,233	15,177	15,177	731	59
o/w secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w revolving	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w other	303	246	246	185	14,930	14,930	14,930	547	15,233	15,177	15,177	731	59
Loans to small and medium businesses	-	-	-	-	161	161	161	11	161	161	161	11	1
o/w secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w other	-	-	-	-	161	161	161	11	161	161	161	11	1
Shares	255	-	255	256	641	-	541	1,728	896	-	796	1,984	159
Securitisations	6,153	4,859	4,859	1,174	49,149	49,126	49,126	8,687	55,302	53,985	53,985	9,862	789
Assets other than credit obligation	3,296	-	3,296	3,100	17	-	17	17	3,313	-	3,313	3,117	249
TOTAL	**44,686**	**39,739**	**42,207**	**8,840**	**556,540**	**540,250**	**481,032**	**89,296**	**601,225**	**579,989**	**523,239**	**98,136**	**7,970**

[1] *Initial gross exposure.*
[2] *Gross exposure after credit risk mitigation (CRM).*

	31.12.2020												
	Standardised				IRB				Total				
€ million	Gross exposure [1]	Gross exposure after CRM [2]	EAD	RWA	Gross exposure [1]	Gross exposure after CRM [2]	EAD	RWA	Gross exposure [1]	Gross exposure after CRM [2]	EAD	RWA	Capital requirement
Central governments or central banks	1,217	1,244	1,190	991	97,473	108,046	105,812	1,202	98,689	109,290	107,002	2,193	175
Institutions	11,886	27,018	26,581	717	94,278	100,625	97,934	7,054	106,164	127,642	124,515	7,770	622
Corporates	25,959	10,692	6,709	6,161	276,833	251,353	196,187	60,133	302,792	262,045	202,896	66,294	5,304
Retail customers	837	837	789	592	13,140	13,140	13,140	584	13,976	13,976	13,929	1,176	94
Loans to individuals	837	837	789	592	13,023	13,023	13,023	578	13,859	13,859	13,812	1,170	94
o/w secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w revolving	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w other	837	837	789	592	13,023	13,023	13,023	578	13,859	13,859	13,812	1,170	94
Loans to small and medium businesses	-	-	-	-	117	117	117	5	117	117	117	5	-
o/w secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w other	-	-	-	-	117	117	117	5	117	117	117	5	-
Shares	310	-	310	311	486	-	486	1,587	796	-	796	1,898	152
Securitisations	5,392	4,199	4,199	926	40,586	40,561	40,561	7,547	45,978	44,760	44,760	8,473	678
Assets other than credit obligation	3,335	-	3,335	3,132	17	-	17	17	3,352	-	3,352	3,149	252
TOTAL	**48,935**	**43,989**	**43,114**	**12,830**	**522,812**	**513,725**	**454,136**	**78,123**	**571,748**	**557,713**	**497,250**	**90,953**	**7,276**

[1] Initial gross exposure.
[2] Gross exposure after credit risk mitigation (CRM).

▶ Credit quality of forborne exposures (CQ1)

		31.12.2021							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing Forborne						
	€ million	Per-forming Forborne		Of which defaulted	of which impaired	On performing Forborne exposures	On non-performing Forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	**Cash balances at central banks and other demand deposits**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**1,919**	**2,340**	**2,340**	**2,340**	**(142)**	**(789)**	**2,173**	**1,207**
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	15	3	3	3	(1)	(3)	-	-
040	*Credit institutions*	-	46	45	45	-	(26)	-	-
050	*Other financial corporations*	-	18	18	18	-	(16)	-	-
060	*Non-financial corporations*	1,894	2,271	2,271	2,271	(141)	(744)	2,163	1,205
070	*Households*	10	3	3	3	-	-	10	2
080	**Debt securities**	**-**	**4**	**4**	**-**	**-**	**-**	**-**	**-**
090	**Loan commitments given**	**150**	**54**	**54**	**54**	**(3)**	**(20)**	**100**	**26**
100	**TOTAL**	**2,070**	**2,399**	**2,398**	**2,394**	**(144)**	**(810)**	**2,273**	**1,233**

		31.12.2020							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing Forborne						
	€ million	Per-forming Forborne		Of which defaulted	of which impaired	On performing Forborne exposures	On non-performing Forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	**Cash balances at central banks and other demand deposits**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**1,723**	**1,892**	**1,887**	**1,887**	**(115)**	**(776)**	**1,641**	**534**
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	16	4	3	3	(1)	(3)	-	-
040	Credit institutions	-	45	45	45	-	(26)	-	-
050	Other financial corporations	-	17	17	17	-	(16)	-	-
060	Non-financial corporations	1,696	1,820	1,816	1,816	(114)	(732)	1,629	529
070	Households	11	6	6	6	-	-	11	5
080	**Debt securities**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
090	**Loan commitments given**	**56**	**48**	**48**	**48**	**(2)**	**(31)**	**14**	**14**
100	**TOTAL**	**1,779**	**1,940**	**1,935**	**1,935**	**(117)**	**(807)**	**1,655**	**548**

▶ Credit quality of performing and non-performing exposures by past due days (CQ3)

	31.12.2021											
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
€ million	Total	Not past due or past due ≤ 30 days	Past due >30 days ≤ 90 days	Total	Unlikely to pay that are not past-due or past-due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	**69,102**	**69,102**	**-**	**16**	**-**	**-**	**-**	**-**	**16**	**-**	**-**	**16**
Loans and advances	**204,979**	**204,395**	**583**	**4,271**	**1,786**	**189**	**4**	**736**	**352**	**419**	**785**	**4,271**
Central banks	333	333	-	-	-	-	-	-	-	-	-	-
General governments	8,409	8,409	-	47	-	-	-	-	24	-	23	47
Credit institutions	39,746	39,746	-	415	1	-	-	-	-	296	118	415
Other financial corporations	10,581	10,246	335	348	22	-	-	-	-	18	308	348
Non-financial corporations	133,232	132,983	249	3,394	1,746	188	3	727	300	99	330	3,394
Of which SMEs	767	767	-	7	6	-	-	-	-	-	1	7
Households	12,679	12,679	-	67	17	-	2	8	28	7	5	67
Debt Securities	**33,772**	**33,759**	**13**	**31**	**4**	-	-	-	-	-	**27**	**31**
Central banks	3,095	3,095	-	-	-	-	-	-	-	-	-	-
General governments	19,668	19,668	-	-	-	-	-	-	-	-	-	-
Credit institutions	4,962	4,962	-	1	-	-	-	-	-	-	1	1
Other financial corporations	2,182	2,170	13	-	-	-	-	-	-	-	-	-
Non-financial corporations	3,864	3,864	-	30	4	-	-	-	-	-	26	30
Off-balance sheet exposures	**297,844**	-	-	**697**	-	-	-	-	-	-	-	**697**
Central banks	5,947	-	-	-	-	-	-	-	-	-	-	-
General governments	15,668	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	42,926	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	58,320	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	172,606	-	-	697	-	-	-	-	-	-	-	697
Households	2,376	-	-		-	-	-	-	-	-	-	-
TOTAL	**605,696**	**307,256**	**596**	**5,015**	**1,790**	**189**	**4**	**736**	**368**	**419**	**812**	**5,015**

	31.12.2020											
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
€ million	Total	Not past due or past due ≤ 30 days	Past due >30 days ≤ 90 days	Total	Unlikely to pay that are not past-due or past-due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which de-faulted
Cash balances at central banks and other demand deposits	**57,745**	**57,745**	**-**	**15**	**-**	**-**	**-**	**15**	**-**	**-**	**-**	**15**
Loans and advances	**164,690**	**164,426**	**265**	**4,603**	**2,380**	**463**	**483**	**186**	**393**	**481**	**217**	**4,603**
Central banks	306	306	-	-	-	-	-	-	-	-	-	-
General governments	7,733	7,733	-	58	23	-	-	-	35	-	-	58
Credit institutions	23,643	23,643	-	389	98	-	-	-	2	272	18	389
Other financial corporations	5,692	5,692	-	355	156	-	20	-	2	17	161	355
Non-financial corporations	115,851	115,587	264	3,739	2,101	463	455	164	333	191	32	3,739
Of which SMEs	498	498	-	57	37	-	1	-	18	-	1	57
Households	11,465	11,465	-	63	3	-	8	23	20	2	7	63
Debt Securities	**37,352**	**37,038**	**314**	**29**	**7**	**-**	**-**	**-**	**-**	**-**	**22**	**29**
Central banks	2,477	2,477	-	-	-	-	-	-	-	-	-	-
General governments	17,395	17,395	-	-	-	-	-	-	-	-	-	-
Credit institutions	8,220	8,220	-	1	1	-	-	-	-	-	-	1
Other financial corporations	6,208	5,894	314	-	-	-	-	-	-	-	-	-
Non-financial corporations	3,052	3,052	-	28	6	-	-	-	-	-	22	28
Off-balance sheet exposures	**260,449**	**-**	**-**	**832**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**832**
Central banks	8,809	-	-	-	-	-	-	-	-	-	-	-
General governments	11,015	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	40,117	-	-	2	-	-	-	-	-	-	-	2
Other financial corporations	45,853	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	152,109	-	-	826	-	-	-	-	-	-	-	826
Households	2,546	-	-	4	-	-	-	-	-	-	-	4
TOTAL	**520,235**	**259,208**	**578**	**5,480**	**2,387**	**463**	**483**	**201**	**393**	**481**	**239**	**5,480**

▶ Performing and non-performing exposures and related provisions (CR1)

	31.12.2021														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
€ million		Of which Bucket 1	Of which Bucket 2		Of which Bucket 2	Of which Bucket 3		Of which Bucket 1	Of which Bucket 2		Of which Bucket 2	Of which Bucket 3			
Cash balances at central banks and other demand deposits	**69,102**	**69,102**	**-**	**16**	**-**	**16**	**-**	**-**	**-**	**(16)**	**-**	**(16)**	**-**	**20**	**-**
Loans and advances	**204,979**	**185,267**	**19,712**	**4,271**	**-**	**4,271**	**(735)**	**(210)**	**(525)**	**(2,225)**	**-**	**(2,225)**	**-**	**84,273**	**1,455**
Central banks	333	333	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	8,409	7,559	851	47	-	47	(7)	(6)	(2)	(29)	-	(29)	-	3,362	16
Credit institutions	39,746	39,711	34	415	-	415	(11)	(11)	-	(364)	-	(364)	-	212	-
Other financial corporations	10,581	10,166	415	348	-	348	(3)	(3)	(1)	(306)	-	(306)	-	6,992	-
Non-financial corporations	133,232	114,852	18,380	3,394	-	3,394	(710)	(188)	(522)	(1,496)	-	(1,496)	-	65,533	1,430
Of which SMEs	767	732	35	7	-	7	(4)	(2)	(1)	(3)	-	(3)	-	331	-
Households	12,679	12,646	33	67	-	67	(3)	(2)	-	(31)	-	(31)	-	8,174	8
Debt Securities	**33,772**	**33,635**	**49**	**31**	**-**	**27**	**(10)**	**(9)**	**(1)**	**(27)**	**-**	**(27)**	**-**	**-**	**-**
Central banks	3,095	3,095	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	19,668	19,668	-	-	-	-	(7)	(7)	-	-	-	-	-	-	-
Credit institutions	4,962	4,945	-	1	-	1	(2)	(2)	-	(1)	-	(1)	-	-	-
Other financial corporations	2,182	2,109	13	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	3,864	3,818	36	30	-	26	(1)	-	(1)	(26)	-	(26)	-	-	-
Off-balance sheet exposures	**297,844**	**287,379**	**10,465**	**697**	**-**	**697**	**(401)**	**(146)**	**(255)**	**(118)**	**-**	**(118)**	**-**	**20,344**	**115**
Central banks	5,947	5,947	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	15,668	14,797	871	-	-	-	(5)	(2)	(3)	-	-	-	-	2,417	-
Credit institutions	42,926	42,906	20	-	-	-	(10)	(10)	-	-	-	-	-	116	-
Other financial corporations	58,320	58,319	2	-	-	-	(5)	(5)	-	-	-	-	-	379	-
Non-financial corporations	172,606	163,043	9,563	697	-	697	(381)	(130)	(252)	(118)	-	(118)	-	17,432	115
Households	2,376	2,368	8	-	-	-	(1)	(1)	-	-	-	-	-	-	-
TOTAL	**605,696**	**575,382**	**30,226**	**5,015**	**-**	**5,011**	**(1,146)**	**(366)**	**(781)**	**(2,387)**	**-**	**(2,387)**	**-**	**104,637**	**1,569**

	31.12.2020														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
€ million		Of which Bucket 1	Of which Bucket 2		Of which Bucket 2	Of which Bucket 3		Of which Bucket 1	Of which Bucket 2		Of which Bucket 2	Of which Bucket 3			
Cash balances at central banks and other demand deposits	**57,745**	**57,745**	**-**	**15**	**-**	**15**	**-**	**-**	**-**	**(15)**	**-**	**(15)**	**-**	**3,228**	**-**
Loans and advances	**164,690**	**147,232**	**17,458**	**4,603**	**-**	**4,599**	**(762)**	**(189)**	**(573)**	**(2,312)**	**-**	**(2,312)**	**-**	**57,421**	**1,346**
Central banks	306	306	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	7,733	7,035	698	58	-	58	(6)	(5)	(1)	(28)	-	(28)	-	-	-
Credit institutions	23,643	23,588	55	389	-	389	(10)	(10)	-	(342)	-	(342)	-	-	-
Other financial corporations	5,692	5,603	89	355	-	355	(20)	(15)	(4)	(302)	-	(302)	-	2,714	-
Non-financial corporations	115,851	99,301	16,550	3,739	-	3,734	(723)	(156)	(566)	(1,626)	-	(1,626)	-	54,707	1,346
Of which SMEs	498	464	34	57	-	57	(1)	(1)	-	(20)	-	(20)	-	269	-
Households	11,465	11,399	67	63	-	63	(4)	(2)	(1)	(14)	-	(14)	-	-	-
Debt Securities	**37,352**	**36,976**	**314**	**29**	**-**	**25**	**(11)**	**(10)**	**(1)**	**(25)**	**-**	**(25)**	**-**	**-**	**-**
Central banks	2,477	2,477	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	17,395	17,395	-	-	-	-	(6)	(6)	-	-	-	-	-	-	-
Credit institutions	8,220	8,218	-	1	-	1	(3)	(3)	-	(1)	-	(1)	-	-	-
Other financial corporations	6,208	5,847	314	-	-	-	(1)	-	(1)	-	-	-	-	-	-
Non-financial corporations	3,052	3,040	-	28	-	24	-	-	-	(24)	-	(24)	-	-	-
Off-balance sheet exposures	**260,449**	**250,908**	**9,541**	**832**	**-**	**832**	**(281)**	**(106)**	**(174)**	**(141)**	**-**	**(141)**	**-**	**14,597**	**170**
Central banks	8,809	8,809	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	11,015	10,271	744	-	-	-	(3)	(1)	(2)	-	-	-	-	1,450	-
Credit institutions	40,117	40,083	34	2	-	2	(2)	(2)	-	-	-	-	-	44	-
Other financial corporations	45,853	45,838	15	-	-	-	(3)	(3)	-	-	-	-	-	340	-
Non-financial corporations	152,109	143,365	8,744	826	-	826	(271)	(99)	(172)	(141)	-	(141)	-	12,762	170
Households	2,546	2,542	4	4	-	4	(1)	(1)	-	-	-	-	-	-	-
TOTAL	**520,235**	**492,860**	**27,312**	**5,480**	**-**	**5,471**	**(1,054)**	**(306)**	**(748)**	**(2,494)**	**-**	**(2,494)**	**-**	**75,246**	**1,516**

▶ Changes in the stock of non-performing loans and advances (CR2)

€ million		31.12.2021 Gross carrying account
1	**Initial stock of non-performing loans and advances (31/12/2020)**	**4,599**
2	Inflows to non-performing portfolios	714
3	Outflows from non-performing portfolios	(1,042)
4	Outflows due to write-offs	-
5	Outflow due to other situations	-
6	**Final stock of non-performing loans and advances (31/12/2021)**	**4,271**

▶ Collateral obtained by taking possession and execution processes (CQ7)

		31.12.2021		31.12.2020	
		Collateral obtained by taking possession		Collateral obtained by taking possession	
€ million		Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	1	-	3	-
020	Other than PP&E	-	-	-	-
030	Residential immovable property	-	-	-	-
040	Commercial Immovable property	-	-	-	-
050	Movable property (auto, shipping, etc.)	-	-	-	-
060	Equity and debt instruments	-	-	-	-
070	Other	-	-	-	-
080	**TOTAL**	**1**	**-**	**3**	**-**

▶ Quality of non-performing exposures by geography (CQ4)

		31.12.2021							
		Gross carrying/nominal amount							
			of which non performing						
	€ million			of which : defaulted	of which : subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative charges in fair value due to credit risk on non-performing exposures	
10	**On balance sheet exposures**	**243,052**	**4,302**	**4,302**	**242,961**	**(2,998)**	**-**	**-**	**-**
20	**Europe**	**143,072**	**1,698**	**1,698**	**142,985**	**(1,206)**	**-**	**-**	**-**
	France	69,448	807	807	69,370	(473)	-	-	-
	United Kingdom	10,989	43	43	10,989	(87)	-	-	-
	Italy	10,518	128	128	10,513	(110)	-	-	-
	Luxembourg	9,910	31	31	9,910	(73)	-	-	-
	Other (Europe)	42,208	689	689	42,203	(463)	-	-	-
30	**Asia et Oceania**	**44,642**	**396**	**396**	**44,642**	**(276)**	**-**	**-**	**-**
	Singapore	7,152	162	162	7,152	(113)	-	-	-
	Japan	6,719	130	130	6,719	(64)	-	-	-
	Hong Kong	6,695	-	-	6,695	(6)	-	-	-
	Other (Asia et Oceania)	24,075	103	103	24,075	(93)	-	-	-
40	**North America**	**28,010**	**231**	**231**	**28,005**	**(280)**	**-**	**-**	**-**
	United States	23,581	180	180	23,576	(203)	-	-	-
	Other (North America)	4,429	51	51	4,429	(77)	-	-	-
50	**South and central America**	**11,556**	**1,376**	**1,376**	**11,556**	**(766)**	**-**	**-**	**-**
60	**Africa and Middle East**	**15,590**	**601**	**601**	**15,590**	**(469)**	**-**	**-**	**-**
70	**Other countries**	**182**	**-**	**-**	**182**	**(0)**	**-**	**-**	**-**
80	**Off balance sheet exposures**	**298,541**	**697**	**697**	-	-	**519**	-	-
90	**Europe**	**201,014**	**606**	**606**	-	-	**258**	**-**	**-**
	France	112,998	42	42	-	-	54	-	-
	United Kingdom	21,012	-	-	-	-	37	-	-
	Germany	12,005	21	21	-	-	36	-	-
	Luxembourg	11,302	-	-	-	-	4	-	-
	Switzerland	8,940	-	-	-	-	2	-	-
	Other (Europe)	34,757	543	543	-	-	125	-	-
100	**Asia et Oceania**	**23,884**	**6**	**6**	-	-	**13**	**-**	**-**
	Singapore	5,357	6	6	-	-	4	-	-
	Japan	4,019	-	-	-	-	0	-	-
	Other (Asia et Oceania)	14,507	-	-	-	-	9	-	-
110	**North America**	**60,774**	**14**	**14**	-	-	**196**	**-**	**-**
	United States	55,944	4	4	-	-	184	-	-
	Other (North America)	4,830	10	10	-	-	11	-	-
120	**South and central America**	**5,398**	**42**	**42**	-	-	**32**	**-**	**-**
130	**Africa and Middle East**	**7,430**	**29**	**29**	-	-	**20**	**-**	**-**
140	**Other countries**	**42**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
150	**TOTAL**	**541,593**	**4,999**	**4,999**	**242,961**	**(2,998)**	**519**	-	**-**

The CQ4 statement (quality of non-performing exposures by geographic location) replaces the RC1-C statement (credit quality of exposures by geographic region) within the framework of the application of Regulation (EU) n ° 2019/876 (CRR2) since 30 June 2021.

The CQ4 report distinguishes the balance sheet from the off balance sheet, unlike CR1-C.

On the CQ4 report, “Cash balances at central banks and other demand deposits” were removed from the scope of the balance sheet exposure line to follow the FINREP 2021 presentation which changed from 30 June 2021.

		31.12.2020							
		Gross carrying/nominal amount							
			of which non performing						
	€ million			of which : defaulted	of which : subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative charges in fair value due to credit risk on non-performing exposures	
10	**On balance sheet exposures**	**264,434**	**4,648**	**4,648**	**264,363**	**(3,126)**	**-**	**-**	**-**
20	**Europe**	**148,618**	**1,906**	**1,906**	**148,551**	**(1,335)**	**-**	**-**	**-**
	France	75,487	808	808	75,433	(453)	-	-	-
	Luxembourg	10,739	43	43	10,738	(102)	-	-	-
	United Kingdom	10,219	122	122	10,219	(159)	-	-	-
	Italy	9,356	214	214	9,352	(119)	-	-	-
	Other (Europe)	42,817	718	718	42,808	(501)	-	-	-
30	**Asia and Oceania**	**59,356**	**538**	**538**	**59,356**	**(294)**	-	-	-
	Japan	26,186	231	231	26,186	(81)	-	-	-
	Other countries not detailed	33,170	308	308	33,170	(213)	-	-	-
40	**North America**	**31,685**	**293**	**293**	**31,681**	**(258)**	-	**-**	**-**
	United States	20,532	170	170	20,527	(189)	-	-	-
	Other (North America)	11,153	123	123	11,154	(69)	-	-	-
50	**South and central America**	**10,170**	**1,204**	**1,204**	**10,170**	**(685)**	-	**-**	**-**
60	**Africa and Middle East**	**14,486**	**706**	**706**	**14,486**	**(554)**	-	**-**	**-**
70	**Other countries**	**120**	**-**	**-**	**120**	**-**	-	-	-
80	**Off balance sheet exposures**	**261,281**	**832**	**832**	**-**	**-**	**422**	**-**	**-**
90	**Europe**	**180,655**	**691**	**691**	**-**	**-**	**233**	**-**	**-**
	France	98,259	54	54	-	-	59	-	-
	United Kingdom	22,065	-	-	-	-	19	-	-
	Germany	10,365	21	21	-	-	29	-	-
	Other (Europe)	49,966	616	616	-	-	125	-	-
100	**Asia and Oceania**	**19,791**	**37**	**37**	**-**	**-**	**6**	**-**	**-**
	Singapore	3,832	18	18	-	-	1	-	-
	South Korea	3,504	-	-	-	-	-	-	-
	Japan	3,200	-	-	-	-	-	-	-
	Other (Asia and Oceania)	9,255	20	20	-	-	4	-	-
110	**North America**	**50,264**	**56**	**56**	**-**	**-**	**140**	**-**	**-**
	United States	45,631	46	46	-	-	123	-	-
	Other (North America)	4,633	9	9	-	-	17	-	-
120	**South and central America**	**4,538**	**19**	**19**	**-**	**-**	**36**	**-**	**-**
130	**Africa and Middle east**	**5,994**	**29**	**29**	**-**	**-**	**7**	**-**	**-**
140	**Other countries**	**38**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
150	**TOTAL**	525,715	5,480	5,480	264,363	(3,126)	422	-	-

▶ Credit quality of loans and advances to non-financial corporations by industry (CQ5)

		31.12.2021					
		Gross carrying amount					
			Of which: non-performing				
€ million				of which: defaulted	of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	684	68	68	684	(68)	-
020	Mining and quarrying	10,372	87	87	10,372	(85)	-
030	Manufacturing	32,874	443	443	32,874	(371)	-
040	Electricity, gas, steam and air conditioning supply	14,108	104	104	14,108	(97)	-
050	Water supply	707	-	-	707	(3)	-
060	Construction	2,839	43	43	2,839	(72)	-
070	Wholesale and retail trade	13,454	363	363	13,454	(305)	-
080	Transport and storage	21,017	1,556	1,556	21,017	(614)	-
090	Accommodation and food service activities	3,333	223	223	3,333	(223)	-
100	Information and communication	7,844	74	74	7,844	(31)	-
110	Financial and insurance activities	11,978	236	236	11,978	(158)	-
120	Real estate activities	7,973	43	43	7,973	(58)	-
130	Professional, scientific and technical activities	1,676	-	-	1,676	(10)	-
140	Administrative and support service activities	4,133	84	84	4,133	(57)	-
150	Public administration and defence, compulsory social security	86	-	-	86	-	-
160	Education	59	-	-	59	(1)	-
170	Human health services and social work activities	2,432	69	69	2,432	(37)	-
180	Arts, entertainment and recreation	268	-	-	268	(4)	-
190	Other services	789	2	2	789	(13)	-
200	**TOTAL**	**136,625**	**3,394**	**3,394**	**136,625**	**(2,206)**	**-**

		31.12.2020					
		Gross carrying amount					
			Of which: non-performing				
€ million				of which: defaulted	of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	436	76	76	436	(68)	-
020	Mining and quarrying	10,435	244	244	10,435	(146)	-
030	Manufacturing	27,300	448	448	27,300	(386)	-
040	Electricity, gas, steam and air conditioning supply	10,813	112	112	10,813	(76)	-
050	Water supply	706	-	-	706	(1)	-
060	Construction	2,508	108	108	2,508	(111)	-
070	Wholesale and retail trade	11,665	502	502	11,665	(304)	-
080	Transport and storage	20,370	1,373	1,373	20,370	(627)	-
090	Accommodation and food service activities	3,233	149	149	3,233	(186)	-
100	Information and communication	7,593	83	83	7,593	(51)	-
110	Financial and insurance activities	9,742	299	299	9,742	(183)	-
120	Real estate activities	7,318	68	68	7,313	(62)	-
130	Professional, scientific and technical activities	1,549	6	6	1,549	(8)	-
140	Administrative and support service activities	3,217	192	192	3,217	(94)	-
150	Public administration and defence, compulsory social security	133	-	-	133	-	-
160	Education	35	-	-	35	-	-
170	Human health services and social work activities	1,565	75	75	1,565	(39)	-
180	Arts, entertainment and recreation	316	-	-	316	(4)	-
190	Other services	655	3	3	655	(3)	-
200	**TOTAL**	**119,590**	**3,739**	**3,739**	**119,584**	**(2,348)**	**-**

5

Statement CQ5 (credit quality of loans and advances granted to non-financial corporations by industry) has replaced statement RC1-B (quality of credit exposures by sector or type of counterparty) for the purpose of applying Regulation (EU) No. 2019/876 (CRR2) since 30 June 2021.

Statement CQ5 presents balance sheet elements by business sector. It does not include debt securities or loans and receivables from central governments and central banks, credit institutions and households.

Maturity of exposures (CR1-A)

		31.12.2021					
€ million		Demand [1]	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	1,279	232,707	69,768	18,243	-	321,997
2	Debt securities	-	20,296	18,588	17,895	-	56,779
3	**Total**	**1,279**	**253,004**	**88,356**	**36,138**	**-**	**378,776**

[1] The configuration of the "On demand" column changed between first production and 31 December 2021. This column is now completed for the scope of loans and advances.

		31.12.2020					
€ million		On demand	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	210,240	63,087	17,159	2	290,489
2	Debt securities	-	21,838	17,909	16,283	-	56,030
3	**TOTAL**	**-**	**232,078**	**80,996**	**33,442**	**2**	**346,518**

3.2.3 Credit risk

Since the end of 2007, the ACPR has authorised Crédit Agricole CIB Group to use internal rating systems to calculate regulatory capital requirements as regards credit risk for most of its scope. In addition, the ACPR has since 1 January 2008 authorised Crédit Agricole CIB Group's main entities to use the Advanced Measurement Approach (AMA) to calculate their regulatory capital requirements for operational risk. The Group's other entities use the standardised approach, in accordance with regulations.

The main Crédit Agricole CIB Group subsidiaries or portfolios still using the standardised method for measuring credit risk at 31 December 2021 were as follows:

- *Union des Banques Arabes et Françaises* (UBAF);
- Crédit Agricole CIB Miami;
- Crédit Agricole CIB Brazil;
- Crédit Agricole CIB Canada;
- CA Indosuez Wealth Italy S.P.A
- the real estate professionals portfolio.

In accordance with the commitment made by the Group to gradually move toward the advanced method defined with the ACPR in May 2007 (roll-out plan), work is ongoing in the main entities and portfolios still under the standard method. An update of the roll-out plan is sent annually to the competent authority.

The use of internal models to calculate the solvency ratios has enabled Crédit Agricole CIB Group to strengthen its risk management. Specifically, the development of "internal ratings based" approaches has led to the systematic and reliable collection of default and loss histories for most Group entities. The establishment of this data history makes it possible to quantify credit risk today by assigning an average Probability of Default (PD) to each rating level, and for the "advanced internal rating" approaches to assign a loss given default (LGD).

In addition, the parameters of the "Internal Ratings-Based" models are used in the definition, implementation and monitoring of the entities' risk and credit policies.

The internal risk assessment models thus promote the development of sound risk management practices by the Group's entities and improve the efficiency of the capital allocation process by enabling a more fine-tuned measurement of capital consumption by each business line and entity.

EXPOSURE TO CREDIT RISK USING THE STANDARD APPROACH

Credit assessment using the standardised approach

The Group now uses external credit rating agency assessments to calculate its risk-weighted exposures under the standardised approach. The remaining exposures are subject to fixed weightings (like under Basel I).

Exposure categories treated by standard method are classified according to the counterparty type and financial product type in one of the 16 categories set out in Article 112 of Regulation (EU) 575/2013 of 26 June 2013. The weightings applied to these same outstandings are calculated in accordance with Articles 114 to 134 of that regulation.

For the "Central governments and central banks" and "Institutions" exposure categories, the Crédit Agricole S.A. Group has decided, in the standardised approach, to use Moody's assessments to evaluate the risk.

As such, where the rating agency's credit assessment of the counterparty is known, it is used to calculate the applicable weighting. With regard to the counterparties of the "Institutions" or "Corporate" exposure categories where the credit assessment is not known, the weighting applied takes account of the credit assessment of the central authority in whose jurisdiction this counterparty is established, pursuant to the provisions of Articles 121 and 122 of the aforementioned regulation.

With regard to exposures on banking portfolio debt instruments, the rule used involves applying the issuer's weighting rate. This rate is calculated in accordance with the rules described in the preceding paragraph.

▶ Standardised approach - Credit risk exposure and credit risk mitigation (CRM) effects (CR4)

		31.12.2021					
€ million		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central governments or central banks	1,189	18	1,189	8	1,009	84.32%
2	Regional government or local authorities	-	44	-	22	-	-
3	Public sector entities	2	1	2	4	0	5.41%
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	3,840	550	22,925	303	641	2.76%
7	Corporates	20,493	1,291	1,563	490	1,938	94.44%
8	Retail	299	3	243	2	184	75.00%
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	195	5	20	2	32	143.58%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	28	-	28	-	1	3.80%
15	Equity	255	-	255	-	256	100.41%
16	Other items	3,296	-	3,296	-	3,100	94.05%
17	**TOTAL**	**29,598**	**1,913**	**29,521**	**831**	**7,161**	**23.59%**

		31.12.2020					
€ million		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central governments or central banks	1,141	34	1,148	17	991	85.03%
2	Regional government or local authorities	-	41	-	20	-	-
3	Public sector entities	-	1	-	4	-	-
4	Multilateral development banks	19	2	19	-	19	98.97%
5	International organisations	-	-	-	-	-	-
6	Institutions	5,743	420	20,431	429	548	2.63%
7	Corporates	17,654	6,785	3,183	2,385	5,012	90.02%
8	Retail	738	98	738	51	592	75.00%
9	Secured by mortgages on immovable property	164	-	164	-	82	49.86%
10	Exposures in default	325	4	101	1	150	147.25%
11	Exposures associated with particularly high risk	94	147	93	71	247	150.00%
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	16	-	16	-	1	6.66%
15	Equity	310	-	310	-	311	100.35%
16	Other items	3,335	-	3,335	-	3,132	93.91%
17	**TOTAL**	**29,540**	**7,532**	**29,539**	**2,979**	**11,085**	**34.09%**

EXPOSURE TO CREDIT RISK USING THE INTERNAL RATINGS-BASED APPROACH

Credit exposures are classified by counterparty type and financial product type, based on the seven exposure classes shown in the table below and set out in the amended Article 147 of Regulation (EU) 575/2013 of 26 June 2013 on capital requirements for credit institutions and investment firms:

- the "Central government and central banks" exposure class, other than exposures on central governments and central bank, combines exposures to certain regional and local authorities or to public sector entities which are treated like central governments, as well as certain multilateral development banks and international organisations;
- the "Institutions" class comprises exposure to credit institutions and investment firms, including those recognised in other countries. This category also includes certain exposures to regional and local governments, public-sector entities and multilateral development banks that are not considered as central governments;
- the "Corporates" class is divided into large companies and small and medium-sized businesses, which are subject to different regulatory treatments;
- the "Retail" class distinguishes between mortgage loans, revolving facilities, other loans to individuals and other loans to small and medium-sized businesses;
- the "Equity" class comprises exposures that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance;
- the "Securitisation" exposure class includes exposures to securitisation operations or structures, including those resulting from interest rate or exchange rate derivatives, independently of the institution's role (whether it is the originator, sponsor or investor);
- the "Other non-credit obligation assets" class mainly includes non-current assets and accruals.

◆ Credit derivatives used for hedging

Credit derivatives effect used as credit risk mitigation (CRM) techniques on risk weighted assets (RWA) in internal ratings.

▶ IRB approach - effect on the RWAs of credit derivatives used as CRM techniques (CR7)

		31.12.2021	
€ million		Pre-credit derivatives RWA	Actual RWA
1	**Exposures under F-IRB**	**1,761**	**1,761**
2	Central governments and central banks	-	-
3	Institutions	-	-
4	Corporates	1,761	1,761
4.1	of which Corporates - SMEs	64	64
4.2	of which Corporates - Specialised lending	28	28
5	**Exposures under A-IRB**	**65,938**	**63,467**
6	Central governments and central banks	1,029	1,029
7	Institutions	2,802	2,975
8	Corporates	61,549	58,905
8.1	of Corporates - which SMEs	394	394
8.2	of which Corporates - Specialised lending	12,179	12,179
9	Retail	558	558
9.1	of which Retail – SMEs - Secured by immovable property collateral	-	-
9.2	of which Retail – non-SMEs - Secured by immovable property collateral	-	-
9.3	of which Retail – Qualifying revolving	-	-
9.4	of which Retail – SMEs - Other	11	11
9.5	of which Retail – Non-SMEs- Other	547	547
10	**TOTAL (including F-IRB exposures and A-IRB exposures)**	**67,698**	**65,228**

IRB approach - Disclosure of the extent of use of CRM techniques (CR7-A)

€ million	31.12.2021												
		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWAs
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		
A-IRB	Total exposures	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWA with substitution effects (both reduction and substitution effects)
Central governments and central banks	109,441	-	-	-	-	-	-	-	-	-	-	-	1,029
Institutions	62,350	-	-	-	-	-	-	-	-	-	-	-	2,975
Corporates	173,688	2.20%	11.62%	5.58%	-	6.05%	-	-	-	-	-	-	58,905
Of which Corporates – SMEs	657	16.73%	1.22%	1.22%	-	-	-	-	-	-	-	-	394
Of which Corporates – Specialised lending	54,012	0.89%	36.81%	17.36%	-	19.45%	-	-	-	-	-	-	12,179
Of which Corporates – Other	119,020	2.72%	0.25%	0.25%	-	-	-	-	-	-	-	-	46,333
Retail	15,091	-	-	-	-	-	-	-	-	-	-	-	558
Of which Retail – Immovable property SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Retail – Immovable property non-SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Retail – Qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Retail – Other SMEs	161	-	-	-	-	-	-	-	-	-	-	-	11
Of which Retail – Other non-SMEs	14,930	-	-	-	-	-	-	-	-	-	-	-	547
TOTAL	**360,570**	**1.06%**	**5.60%**	**2.69%**	**-**	**2.91%**	**-**	**-**	**-**	**-**	**-**	**-**	**63,467**

€ million	31.12.2021												
		Credit risk mitigation											Credit risk Mitigation methods in the calculation of RWAs
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		
F-IRB	Total exposures	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWA with substitution effects (both reduction and substitution effects
Central governments and central banks	5	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	403	-	-	-	-	-	-	-	-	-	-	-	-
Corporates	4,695	0.25%	5.94%	5.94%	-	-	-	-	-	-	-	-	1,761
Of which Corporates – SMEs	122	0.07%	8.81%	8.81%	-	-	-	-	-	-	-	-	64
Of which Corporates – Specialised lending	74	-	-	-	-	-	-	-	-	-	-	-	28
Of which Corporates – Other	4,498	0.25%	5.96%	5.96%	-	-	-	-	-	-	-	-	1,668
TOTAL	**5,102**	**0.23%**	**5.46%**	**5.46%**	-	-	-	-	-	-	-	-	**1,761**

Change in RWAs

RWA flow statements of credit risk exposures under the IRB approach (CR8)

€ million		31.12.2021
RWA amounts		
1	**RWAs as at the end of the previous reporting period (30/09/2021)**	**63,513**
2	Asset size (+/-)	(375)
3	Asset quality (+/-)	189
4	Model updates (+/-)	1,556
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	1,022
8	Other (+/-) [1]	(678)
9	**RWAs as at the end of the reporting period (31/12/2021)**	**65,228**

[1] The change shown in line 8 "Other (+/-)" of the CR8 table can primarily be explained by the implementation of proprietary synthetic securitization operation made by Crédit Agricole CIB in the fourth quarter 2021 which allow Crédit Agricole CIB to transfer its credit risk to investors.

3.2.4 Counterparty risk

Crédit Agricole CIB, like its parent company, addresses counterparty risks for all of its exposures, whether these depend on the banking portfolio or the trading book (portfolio). For items in the trading book, counterparty risk is calculated in accordance with the provisions relating to the regulatory supervision of market risk.

The regulatory treatment of counterparty risk on transactions on forward financial instruments in the banking book is defined on a regulatory basis in the amended Regulation (EU) 575/2013 of 26 June 2013. Crédit Agricole CIB uses the market price method to measure its exposure to counterparty risk on transactions on forward financial instruments in the banking book (Article 274) or the internal model method (Article 283) within the scope of Crédit Agricole CIB.

◆ Analysis of the exposure to counterparty risks (CCR)

▶ Exposure to counterparty risks by type of approach

	31.12.2021											
	Standardised				IRB				Total			
€ million	Gross exposure	EAD	RWA	Capital require-ment	Gross exposure	EAD	RWA	Capital require-ment	Gross exposure	EAD	RWA	Capital require-ment
Central governments and central banks	-	-	-	-	8,647	8,598	239	19	8,647	8,598	239	19
Institutions	6,666	6,666	174	14	28,025	28,694	4,189	335	34,691	35,360	4,364	349
Corporates	330	330	330	26	28,998	28,382	9,208	737	29,328	28,712	9,537	763
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-	-	-
Other non-credit obligation assets	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**6,996**	**6,996**	**504**	**40**	**65,670**	**65,675**	**13,636**	**1,091**	**72,666**	**72,670**	**14,140**	**1,131**

	31.12.2020											
	Standardised				IRB				Total			
€ million	Gross exposure	EAD	RWA	Capital require-ment	Gross exposure	EAD	RWA	Capital require-ment	Gross exposure	EAD	RWA	Capital require-ment
Central governments and central banks	-	-	-	-	8,844	8,796	214	17	8,844	8,796	214	17
Institutions	5,702	5,702	149	12	36,691	37,200	4,600	368	42,392	42,901	4,749	380
Corporates	695	695	669	54	29,850	29,393	8,821	706	30,545	30,088	9,491	759
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-	-	-
Other non-credit obligation assets	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**6,397**	**6,397**	**819**	**66**	**75,384**	**75,389**	**13,635**	**1,091**	**81,781**	**81,786**	**14,454**	**1,156**

◆ Change in RWAs using the internal models method (IMM)

▶ RWA flow statements of CCR exposures under the IMM (CCR7)

€ million		31.12.2021
RWA amounts		
0010	**RWAs as at the end of the previous reporting period (30/09/2021)**	**10,297**
0020	Asset size	814
0030	Credit quality of counterparties	83
0040	Model updates (IMM only)	-
0050	Methodology and policy (IMM only)	-
0060	Acquisitions and disposals	-
0070	Foreign exchange movements	(313)
0080	Other	(706)
0090	**RWAs as at the end of the reporting period (31/12/2021)**	**10,175**

3.2.4.1 RISK MITIGATION TECHNIQUES APPLIED TO CREDIT AND COUNTERPARTY RISK

Definitions:

- collateral: a security interest giving the Bank the right to liquidate, keep or obtain title to certain amounts or assets in the event of default or other specific credit events affecting the counterparty, thereby reducing the credit risk on an exposure;
- personal guarantee: undertaking by a third party to pay the sum due in the event of the counterparty's default or other specific credit events, therefore reducing the credit risks on an exposure.

▶ CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (CR3)

		31.12.2021				
	€ million	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	192,640	85,728	74,832	10,896	8,184
2	Debt securities	33,803	-	-	-	-
3	**TOTAL**	**226,443**	**85,728**	**74,832**	**10,896**	**8,184**
4	Of which non-performing exposures	2,847	1,455	1,417	38	-

		31.12.2020				
	€ million	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	147,116	79,938	58,950	3,197	17,791
2	Debt securities	37,381	-	-	-	-
3	**TOTAL**	**184,497**	**79,938**	**58,950**	**3,197**	**17,791**
4	Of which non-performing exposures	3,030	1,602	868	478	256

3.2.4.2 EXPOSURES TO EQUITIES INCLUDED IN THE BANKING BOOK

Equity investments owned by Crédit Agricole CIB Group outside the trading book are made up of securities “that give residual and subordinated rights to the assets or income of the issuer or that are of a similar economic nature”.

They mainly comprise:

- listed and non-listed shares and units in investment funds;
- implicit options in bonds that are convertible, redeemable or exchangeable for shares;
- options on shares;
- deeply subordinated securities.

The objective pursued in the context of non-consolidated equity investments is the management intention (financial assets at fair value through profit/loss or on option, financial assets available for sale, investments held until maturity, loans and receivables) as described in note 1.3 to the financial statements “Accounting policies and principles”.

The accounting techniques and valuation methods used are described in note 1.3 to the financial statements “Accounting policies and principles”.

▶ Equity exposures under the simple risk-weighted approach (CR10.5)

€ million	31.12.2021					
Categories	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWAs	Expected loss amount
Exchange-traded equity exposures	-	-	190%	-	-	-
Private equity exposures	1	-	290%	1	3	-
Other equity exposures	411	-	370%	311	1,152	7
TOTAL	**412**	**-**	**-**	**312**	**1,155**	**7**

€ million	31.12.2020					
Categories	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWAs	Expected loss amount
Exchange-traded equity exposures	-	-	190%	-	-	-
Private equity exposures	1	-	290%	1	3	-
Other equity exposures	310	-	370%	310	1,148	7
TOTAL	**311**	**-**	**-**	**311**	**1,151**	**7**

The amounts of gains and losses on equity instruments, generated over the period under review, are presented in note 4 to the financial statements “Notes on net income and other comprehensive income”.

3.2.5 Market risks

3.2.5.1 EXPOSURE TO MARKET RISKS IN THE TRADING BOOK

◆ Exposures using the internal model approach

▶ **RWEA flow statements of market risk exposures under the IMA) (MR2-B)**

		31.12.2021						
€ million		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
1	**RWEAs at previous period end (30/09/2021)**	**970**	**3,840**	**1,959**	**-**	**-**	**6,769**	**541**
1a	Regulatory adjustment	730	2,952	164	-	-	3,846	308
1b	RWEAs at the previous quarter-end (end of the day)	240	887	1,795	-	-	2,923	234
2	Movement in risk levels	180	131	357	-	-	668	53
3	Model updates/changes	-	-	45	-	-	45	4
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	(14)	(48)	(11)	-	-	(73)	(6)
7	Other	-	-	-	-	-	-	-
8 a	RWEAs at the end of the reporting period (end of the day)	357	653	1,214	-	-	2,224	178
8b	Regulatory adjustment	779	3,271	1,135	-	-	5,185	415
8	**RWEAs at the end of the reporting period (31/12/2021)**	**1,137**	**3,923**	**2,350**	-	-	**7,409**	**593**

3.3 LIQUIDITY RISK

The system for monitoring and measuring liquidity risks is described in Chapter 5 Risks / Risk Management of the present Universal Registration Document.

▶ Quantitative information of LCR (EU-LIQ1)

€ million

	Scope of consolidation: consolidated	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2021	30.09.2021	30.06.2021	31.03.2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					**101,778**	**115,136**	**102,545**	**103,645**
CASH-OUTFLOWS									
2	**Retail deposits and deposits from small business customers, of which:**	**13,409**	**13,590**	**13,403**	**13,282**	**1,982**	**2,013**	**1,984**	**1,970**
3	Stable deposits	-	-	-	-	-	-	-	-
4	Less stable deposits	13,409	13,590	13,403	13,282	1,982	2,013	1,984	1,970
5	Unsecured wholesale funding	**111,959**	**130,706**	**128,518**	**125,960**	**50,015**	**63,276**	**60,747**	**62,994**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	25,279	24,068	23,271	25,388	6,320	6,017	5,818	6,347
7	Non-operational deposits (all counterparties)	85,160	99,830	100,097	97,336	42,175	50,451	49,779	53,411
8	Unsecured debt	1,520	6,808	5,150	3,235	1,520	6,808	5,150	3,235
9	**Secured wholesale funding**					**18,140**	**16,314**	**16,862**	**15,910**
10	**Additional requirements**	**144,856**	**143,958**	**134,758**	**139,307**	**37,242**	**35,776**	**33,559**	**34,454**
11	Outflows related to derivative exposures and other collateral requirements	22,008	21,519	17,021	17,985	8,913	8,554	7,960	8,180
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	122,848	122,439	117,737	121,322	28,329	27,222	25,599	26,273
14	**Other contractual funding obligations**	**39,399**	**43,917**	**42,538**	**38,344**	**1,479**	**6,517**	**5,587**	**7,309**
15	**Other contingent funding obligations**	**62,491**	**72,154**	**68,440**	**59,975**	**3,315**	**3,798**	**3,612**	**3,189**
16	**TOTAL CASH OUTFLOWS**		-			**112,172**	**127,694**	**122,351**	**125,825**
CASH-INFLOWS									
17	**Secured lending (e.g. reverse repos)**	**176,453**	**174,051**	**192,445**	**171,120**	**12,997**	**11,254**	**15,439**	**13,259**

€ million

	Scope of consolidation: consolidated	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2021	30.09.2021	30.06.2021	31.03.2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
18	**Inflows from fully performing exposures**	**44,216**	**25,864**	**29,366**	**27,656**	**35,366**	**16,616**	**18,936**	**20,739**
19	**Other cash inflows**	**1,890**	**6,737**	**4,937**	**7,969**	**1,890**	**6,737**	**4,937**	**7,969**
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	**222,559**	**206,652**	**226,748**	**206,745**	**50,252**	**34,606**	**39,311**	**41,966**
EU-20a	**Fully exempt inflows**	-	-	-	-	-	-	-	-
EU-20b	**Inflows subject to 90% cap**	-	-	-	-	-	-	-	-
EU-20c	**Inflows subject to 75% cap**	**201,940**	**184,505**	**205,130**	**188,013**	**50,252**	**34,606**	**39,311**	**41,966**
						TOTAL ADJUSTED VALUE			
21	**LIQUIDITY BUFFER**					**101,778**	**115,136**	**102,545**	**103,645**
22	**TOTAL NET CASH OUTFLOWS***					**61,919**	**93,088**	**83,040**	**83,859**
23	**LIQUIDITY COVERAGE RATIO**					**164.37%**	**123.69%**	**123.49%**	**123.59%**

** The net cash outflows are calculated on average on the amounts observed (over the 12 regulatory declarations concerned) including the application of a cap on cash inflows (maximum of 75% of gross outflows), if applicable.*

5

▶ Qualitative information

Concentration of funding and liquidity sources	Crédit Agricole CIB actively diversifies its sources of financing by maintaining diversified access to the markets through multi-format issuance programmes in a variety of locations.
Derivative exposures and potential collateral calls	The cash outflows relating to this item primarily reflect the contingent risk of increasing margin calls: - on derivative transactions in an adverse market scenario; - following a downgrade in the Crédit Agricole CIB Group's external rating.
Currency mismatch in the LCR	Residual asymmetries, which may be observed in some currencies, are limited in size. In addition, the surplus of high-quality liquid assets available in the major currencies can be easily converted to cover these needs, including in a crisis situation.
A description of the degree of centralisation of liquidity management and interaction between the group's units	The Treasury Department is responsible for overall day-to-day management of the Crédit Agricole CIB Group's short-term funding. Within each cost centre, the Treasurer is responsible for managing funding activities within the allocated limits, and reports to Crédit Agricole CIB's Treasurer and the local Assets and Liabilities Committee. The Steering department is responsible for managing the requirements of the business lines and for the overall supervision of liquidity risk within the risk framework validated by the Board of Directors. The operational management of long-term refinancing is delegated to the ALM/Execution department.
Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	In addition to the LCR surplus, Crédit Agricole CIB has non-HQLA reserves that can be liquidated on the market and reserves that can be mobilised in Central Banks (eligible loans of €2.9 billion before haircut at 31 December 2021).

QUANTITATIVE INFORMATION ON THE NET STABLE FUNDING RATIO (NSFR) AT 31 DECEMBER 2021 (EU-LIQ2)

▶ Net Stable Funding Ratio

		31.12.2021				
		a	b	c	d	e
		Unweighted value by residual maturity				
€ million		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**25,971**	**-**	**600**	**3,983**	**30,255**
2	Own funds	25,971	-	600	3,983	30,255
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits**	-	**14,146**	**150**	**2**	**12,868**
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	14,146	150	2	12,868
7	**Wholesale funding**	-	**404,810**	**18,415**	**81,317**	**160,698**
8	Operational deposits	-	25,279	-	-	12,639
9	Other wholesale funding	-	379,531	18,415	81,317	148,059
10	**Interdependent liabilities**	-	**-**	**-**	**-**	**-**
11	**Other liabilities**	-	**53,948**	**866**	**3,679**	**4,112**
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and capital instruments not included in the above categories	-	53,948	866	3,679	4,112
14	**Total available stable funding (ASF)**	-	-	-	-	**207,933**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**	-	-	-	-	**3,343**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**	-	**443**	**460**	**4,938**	**4,964**
16	**Deposits held at other financial institutions for operational purposes**	-	**2,442**	-	-	**1,221**
17	**Performing loans and securities:**	-	**299,064**	**28,047**	**107,703**	**143,694**
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	-	165,322	6,369	3,083	7,533
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	-	71,825	3,368	17,128	25,473
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	-	44,325	12,240	76,448	93,826
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	375	596	7,091	5,094
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	-	17,592	6,071	11,045	16,861
25	**Interdependent assets**	-	**-**	**-**	**-**	**-**
26	**Other assets:**	-	**58,171**	**685**	**5,913**	**20,585**
27	Physical traded commodities	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	5,159	-	-	4,385
29	NSFR derivative assets	-	2,356	-	-	2,356
30	NSFR derivative liabilities before deduction of variation margin posted	-	39,307	-	-	1,965
31	All other assets not included in the above categories	-	11,348	685	5,913	11,878
32	**Off-balance sheet items**	-	**23,325**	**9,972**	**131,935**	**10,424**
33	**Total required stable funding (RSF)**	-	-	-	-	**184,230**
34	**Net Stable Funding Ratio (%)**	-	-	-	-	**112.87%**

The NSFR ratio of Crédit Agricole CIB Group is at a convenient level since it entered into force. The net stable funding includes mainly client resources, funding provided by the Crédit Agricole S.A. Group and central bank resources (TLTRO). The available stable funding covers the stable funding requirements since the regulatory requirement came into force in June 2021.

3.4 COMPENSATION POLICY

The information on the compensation policy required pursuant to EU Regulation 575-2013 (CRR) can be found in Chapter 3 of this Universal Registration Document.

3.5 CROSS-REFERENCE TABLE

EDTF Cross-reference table

			2021 Universal Registration Document			
		Recommendation	Management report and other	Risk factors and Risk management	Pillar 3	Consolidated financial statements
Introduction	1	Cross-reference table			P. 244	
	2	Terminology and risk measurements, key parameters used		P. 152 to 202	P. 219 and P. 230 to 234	P. 263 to 280, 285 to 312
	3	Presentation of main risks and/or emerging risks		P. 152 to 202		P. 269 to 274
	4	New regulatory framework for solvency and Group targets			P. 203 to 210	
Governance and risk management strategy	5	Organisation of control and risk management	P. 89 to 91	P. 162 to 176		
	6	Risk management strategy and implementation	P. 89 to 91	P. 152 to 202, P. 167 to 176	P. 204 to 215	
	7	Risk mapping by business line				
	8	Governance and management of internal credit and market stress tests		P. 165 to 176, P. 181	P. 203 to 204	
Capital Requirements and risk-weighted assets	9	Minimum capital requirements			P. 208 to 209	
	10a	Breakdown of composition of capital			P. 207	
	10b	Reconciliation of the balance sheet and prudential balance sheet and accounting equity and regulatory capital			P. 203 to 208	
	11	Changes in regulatory capital			P. 207 to 208	
	12	Capital trajectory and target CRD 5 ratios			P. 204 to 215	
	13	Risk-weighted assets by business line and risk type			P. 217 to 230	
	14	Risk-weighted assets and capital requirements by method and type of exposure			P. 217 to 230	
	15	Exposure to credit risk by category of exposure and internal rating		P. 176 to 180, 183	P. 219 to 236	
	16	Changes in risk-weighted assets by risk type			P. 217 to 218	
	17	Description of back-testing models and efforts to improve their reliability		P. 177 to 178, 188 to 189	N/A	
Liquidity	18	Management of liquidity and cash balance sheet		P. 195 to 196	P. 238 to 241	
	19	Asset encumbrance			N/A	
	20	Breakdown of financial assets and liabilities by contractual maturity				P. 305 to 307, 346
	21	Liquidity and financing risk management		P. 195 to 196	P. 238 to 241	
Market risks	22 to 24	Market risk measurement		P. 187 to 195	P. 237	P. 263 to 281, P. 301 to 305, P. 353 to 362
	25	Market risk management techniques		P. 187 to 195		
Credit risk	26	Maximum exposure, breakdown and diversification of credit risks		P. 176 to 186	P. 236	P. 285 to 312,
	27 and 28	Provisioning policy and risk hedging		P. 185 to 186		P. 263 to 280, 316
	29	Derivative instruments: notional, counterparty risk, offsetting		P. 176 to 186, P.196	P. 235 to 236	P. 271 to 274, P. 301 to 305, P. 334 to 335, P. 356
	30	Credit risk mitigation mechanisms		P. 182	P. 236	P. 352
Operational and legal risks	31	Other risks: insurance sector risks, operational risks and legal risks, information systems security and business continuity plans	P. 89 to 91	P. 152 to 161, P.193 to 200		
	32	Declared risks and ongoing actions regarding operational and legal risks		P. 197 to 200		P. 340 to 343

▶ Pillar 3 cross-reference table (CRR 2 AND CRD V)

Article CRR2	Theme	2021 Universal Registration Document	Pages
90 (CRD V)	Return on assets	Management report	P. 139
435 (CRR2)	1. Risk management objectives and policies	Presentation of Committees – Corporate governance Organization of the Risk function Risk Committee – Risk Management	P. 90 to 93 P. 162 to 165
436	2. Financial statements and regulatory information	Pillar 3 Financial statements Note 12.2	P. 216 P. 364 to 367
436 (CRR2)	2. Scope of application	Undisclosed information	
437 (CRR2)	3. Own funds	Reconciliation of accounting and regulatory capital Details of subordinated debt	https://www.ca-cib.com/about-us/financial-information/regulated-information in Appendix II "Main features of capital instruments."
437 bis (CRR2)	3. Own funds and liabilities		
438 (CRR2)	4. Own funds requirements and risk-weighted exposure amounts	Risk-weighted assets by business line and trends	P. 217 to 218
439 (CRR2)	5. Exposure to counterparty credit risk	General presentation of counterparty credit risk – exposures by type of risk Credit risk (all) Counterparty risk (all)	P. 219 to 236
440 (CRR2)	6. Capital buffers	Minimum requirements and exposures by geographic area	P. 208
441 (CRR2)	7. Indicators of global systemic importance	Communication on the indicators required for globally systemically important banks (G-SIBs) + website	N/A
442 (CRR2)	8. Exposures to credit risk and dilution risk	Default exposures and value adjustments	P. 229 to 230
443 (CRR2)	9. Asset encumbrance	Asset encumbrance	N/A
444 (CRR2)	10. Use of ECAIs	Protection providers	N/A
445 (CRR2)	11. Exposure to market risk	Exposure to the market risk of the trading book	P. 237
446 (CRR2)	12. Operational risk	Operational risk	P. 197 to 202
447 (CRR2)	13. Key metrics	Key metrics	N/A
448 (CRR2)	14. Exposures to interest rate risk on positions not included in the trading book	Global interest rate risk – Risk Management	P. 173, 193 to 194
449 (CRR2)	15. Exposure to securitisation positions	Securitisation - Pillar 3	N/A
450 (CRR2)	16. Remuneration policy	Compensation policy - Corporate governance (chapter. 3) Compensation policy – Pillar 3	P. 118 to 124, P. 242
451 (CRR2)	17. Leverage	Leverage ratio	P. 211 to 214
451 bis (CRR2)	17. Liquidity	NSFR, LCR	P. 238 to 241
452 (CRR2)	18. Use of the IRB approach for credit risk	Credit risk – internal ratings-based approach	P. 232 to 233
453 (CRR2)	19. Use of credit risk mitigation techniques	Credit risk mitigation mechanism Pillar 3	P. 182 to 183, P. 236
454 (CRR2)	20. Use of the Advanced Measurement Approaches for operational risk	Operational risks	P. 197 to 202
455 (CRR2)	21. Use of internal market risk models	Internal Models Approach to market risk capital requirements – Pillar 3	P. 237

3.6 STATEMENT BY THE PERSON RESPONSIBLE

Statement under EBA Guidelines 2016/11 on disclosure requirements in Part Eight of Regulation (EU) No 575/2013 and subsequent amendments

Olivier BÉLORGEY, Deputy Chief Executive Officer and Chief Financial Officer of Crédit Agricole CIB

Statement by the person responsible

I certify that, to the best of my knowledge, in accordance with EBA Directives 2016/11 on disclosure requirements in Part Eight of Regulation (EU) No. 575/2013 (and subsequent amendments) 4.2 paragraph - Section C, the information provided in accordance with Part Eight has been prepared in accordance with the internal control processes set forth by the management body.

Montrouge, 25 March 2022

Deputy Chief Executive Officer and Chief Financial Officer of Crédit Agricole CIB
Olivier Bélorgey

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

Approved by the Board of Directors on February 8th 2022 and submitted for approval by the Ordinary General Meeting of 3rd May 2022

6 CONTENTS

€1,691 M NET INCOME GROUP SHARE

€26,400 M TOTAL EQUITY

€5,913 M NET BANKING INCOME

€599,721 M TOTAL ASSETS

102 NUMBER OF CONSOLIDATED ENTITIES

The consolidated financial statements consist of the general framework, the consolidated financial statements and the notes to the consolidated financial statements.

1. GENERAL FRAMEWORK

1.1. LEGAL PRESENTATION OF CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

CORPORATE NAME:

Crédit Agricole Corporate and Investment Bank

TRADING NAMES:

Crédit Agricole Corporate and Investment Bank - Crédit Agricole CIB – CACIB

ADDRESS OF THE REGISTERED OFFICE:

12, place des États-Unis
CS 70052
92547 MONTROUGE CEDEX
France

REGISTRATION:

Registered with the Nanterre Trade and Company Registry under number 304 187 701

NAF CODE:

6419 Z (APE)

LEI CODE:

1VUV7VQFKUOQSJ21A208

LEGAL FORM:

Crédit Agricole Corporate and Investment Bank is a public limited company (société anonyme) under French law (with a Board of Directors) governed by the laws and regulations applicable to credit institutions and French public limited companies, and by its Articles of Association.

As of December 2011, Crédit Agricole Corporate and Investment Bank is affiliated with Crédit Agricole, within the meaning of the French Monetary and Financial Code (CMF).

SHARE CAPITAL:

EUR 7,851,636,342

CORPORATE PURPOSE (ART. 3 OF THE COMPANY'S ARTICLES OF ASSOCIATION):

The Company's purpose, in France and abroad, is:

- to carry out all banking and financial operations, including in particular:
  - receiving funds, granting loans, advances, credit, financing, guarantees, and implementing deposits, payments, collections;
  - providing financial advice and particularly regarding financing, debt, subscription, issue, investment, acquisition, disposal, merger, restructuring;
  - custody, management, purchase, sale, exchange, brokerage and arbitrage of all securities, company rights, financial products, derivatives, currencies, commodities, precious metals and other securities of any kind;
- providing any investment services and related services, within the meaning of the French Monetary and Financial Code and any subsequent text;
- creating and participating in any businesses, groups and companies via contributions, subscriptions, purchases of shares or company rights, mergers, or by any other means;
- carrying out any commercial, industrial, securities or real estate transactions connected directly or indirectly to any or all of the above purposes or all similar or related purposes;
- all on its own behalf, for third parties or as a participating member, and in any form whatsoever.

1.2. SYNTHETIC GROUP ORGANISATION

CORPORATE AND INVESTMENT BANKING

BRANCHES

Europe
- Germany
- Belgium
- Spain
- Finland
- Italy
- United Kingdom
- Sweden

Africa/Middle East
- Abu Dhabi
- Dubaï
- Qatar

Asia
- South Korea
- Hong Kong
- India
- Japan
- Singapore
- Taiwan

America
- United States
- Canada

SUBSIDIARIES/INVESTMENTS

Europe
- Ester Finance Technologies [100%]
- Crédit Agricole CIB AO Russia [100%]
- Kepler Cheuvreux [15%]
- Crédit Agricole CIB Airfinance S.A. [100%]

Africa/Middle East
- Crédit Agricole CIB Arabia Financial [100%]

Asia/ Pacific
- Crédit Agricole CIB Australia Ltd [100%]
- Crédit Agricole CIB China Ltd [100%]
- CA Securities Asia BV (Tokyo Branch) [100%]
- CA Securities (Asia) Ltd (Seoul Branch) [100%]
- Crédit Agricole Asia Shipfinance Ltd [100%]

America
- Banco Crédit Agricole Brasil [100%]
- Crédit Agricole Securities (USA) Inc. [100%]

WEALTH MANAGEMENT

BRANCHES

- Miami

SUBSIDIARIES/INVESTMENTS

CA Indosuez [100%]
- CA Indosuez (Switzerland) [100 %]
- CA Indosuez Wealth (Europe) [100 %]
- CFM Indosuez Wealth [70%]
- AZQORE [80%]

1.3. AN ESSENTIALLY MUTUALIST BANKING GROUP

In accordance with the provisions of the French Monetary and Financial Code (Articles L. 511-31 and L. 511-32), as the corporate centre of the Crédit Agricole network, Crédit Agricole S.A. is responsible for exercising administrative, technical and financial control over the institutions affiliated to it in order to maintain a cohesive network (as defined in Article R. 512-18 of the French Monetary and Financial Code) and to ensure their proper functioning and compliance with all regulations and legislation governing them. In that regard, Crédit Agricole S.A. may take all necessary measures notably to ensure the liquidity and solvency of the network as a whole and of each of its affiliated institutions.

1.4. INTERNAL RELATIONS AT CRÉDIT AGRICOLE

Internal financial mechanisms

The financial mechanisms that govern reciprocal relations within Crédit Agricole are specific to the Group.

TLTRO III MECHANISM

The ECB set out a third series of long-term refinancing operations in March 2019, the terms and conditions of which were reviewed in September 2019 and again in March, April and December 2020, in connection with the COVID-19 situation.

The TLTRO III mechanism aims to provide long-term refinancing with a subsidy in the event of reaching a lending performance target based on growth of lending to firms and households, which is applied over the three-year maturity of the TLTRO operation. An additional subsidy, awarding a further and temporary incentive, is applied over the one-year period between June 2020 and June 2021, and a second additional and temporary subsidy over the one-year period between June 2021 and June 2022.

The accounting treatment used by the Group, with no change compared to that applied in 2020, consists in recognising subsidies as soon as the Group believes that the level of eligible outstandings will render it possible to meet the conditions necessary to obtain these subsidies when they are due to the ECB, i.e. at the end of the TLTRO III operation, and to assign this subsidy to the period to which it relates on a pro rata temporis basis.

The Group assessed their accrued interest at the rate of the Deposit Facility -50bp floored at -100bp over the special interest rate period (1 January 2021 - 23 June 2021 for the period relating to the 2021 financial year), given that thresholds were reached at the first incentive during the special reference period. Over the special additional interest rate period (24 June 2021 - 31 December 2021 for the period relating to the 2021 financial year), the interest rate used is also the rate of the Deposit Facility -50bp floored at -100bp, given the achievement of the criteria for the level of eligible loans specific to the second incentive during the additional special reference period. As such, the Group believes that it will obtain all the subsidies at the end of this loan due to the fulfilment of the conditions to benefit from it at 31 December 2021. As a reminder, at 30 June 2021, the interest rate used was the minimum between the Deposit Facility rate and the MRO -50bp given the Group's uncertainty at that date, as to the achievement of the criteria for changes in eligible loans during the additional special reference period.

At 31 December 2021, Crédit Agricole Group subscibed to the ECB for €162 billion in TLTRO III loans. Given the internal refinancing mechanisms, Crédit Agricole CIB can benefit from Crédit Agricole S.A. drawings or refinance itself directly to the ECB.

Hedging of liquidity and solvency risks and bank resolution

Under the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code (CMF), Crédit Agricole S.A., as the central body, must take all measures necessary to ensure the liquidity and solvency of each affiliated credit institution, as well as the network as a whole. As a result, each member of the network benefits from this internal financial solidarity.

The general provisions of the CMF are reflected in the internal provisions setting out the operational measures required for this legal solidarity mechanism.

As part of the initial public offering of Crédit Agricole S.A., CNCA (now Crédit Agricole S.A.) signed a protocol with the Regional Banks in 2001 to govern internal relations within the Crédit Agricole network. This protocol provides in particular for the establishment of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any affiliates that may experience difficulties. The main provisions of the protocol are detailed in Chapter III of Crédit Agricole S.A.'s reference document registered with the Commission des Opérations de Bourse on 22 October 2001 under number R. 01-453.

The European banking crisis management framework was adopted in 2014 by EU Directive 2014/59 (known as the "Bank Recovery and Resolution Directive - BRRD"), incorporated into French law by Order 2015-1024 of 20 August 2015, which also adapted French law to the provisions of European Regulation 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund. Directive (EU) 201/879 of 20 May 2019, known as "BRRD2", amended the BRRD and was incorporated into French law by Order 2020-1636 of 21 December 2020.

This framework, which includes measures to prevent and to resolve banking crises, is intended to preserve financial stability, to ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, to protect depositors, and to avoid or limit the use of public financial support as much as possible. In this context, the European Resolution Authorities, including the Single Resolution Board, have been granted extensive powers to take all necessary measures in connection with the resolution of all or part of a credit institution or the group to which it belongs.

For cooperative banking groups, the "extended single point of entry" ("extended SPE") resolution strategy is favoured by the resolution authorities, whereby resolution tools would be applied simultaneously at the level of Crédit Agricole S.A. and the affiliated entities. In this respect, and in the event of a resolution of the Crédit Agricole Group, the scope comprising Crédit Agricole S.A.

(in its capacity as the corporate centre) and its affiliated entities would be considered as a whole as the expanded single entry point. Given the foregoing and the solidarity mechanisms that exist within the network, a member of the Crédit Agricole network cannot be put individually in resolution.

The resolution authorities may initiate resolution proceedings against a credit institution where it considers that: the institution has failed or is likely to fail, there is no reasonable prospect that another private measure will prevent the failure within a reasonable time, a resolution measure is necessary, and a liquidation procedure would be inadequate to achieve the resolution objectives mentioned above.

The resolution authorities may use one or more resolution tools, as described below, with the objective of recapitalising or restoring the viability of the institution. The resolution tools should be implemented in such a way that equity holders (shares, mutual shares, CCIs, CCAs) bear losses first, with creditors following up immediately, provided that they are not excluded from bail-in legally speaking or by a decision of the resolution authorities. French law also provides for a protective measure when certain resolution tools or decisions are implemented, such as the principle that equity holders and creditors of an institution in resolution may not incur greater losses than those they would have incurred if the institution had been liquidated in the context of a judicial liquidation procedure under the French Commercial Code (NCWOL principle referred to in Article L. 613-57.I of the CMF). Thus investors are entitled to claim compensation if the treatment they receive in a resolution is less favourable than the treatment they would have received if the institution had been subject to normal insolvency proceedings.

In the event that the resolution authorities decide to put the Crédit Agricole Group into resolution, they will first write down the CET1 instruments (shares, mutual shares, CCI and CCA), additional Tier 1 and Tier 2 instruments, in order to absorb losses, and then possibly convert the additional Tier 1 and Tier 2 instruments into equity securities[1]. Then, if the resolution authorities decide to use the bail-in tool, the latter would be applied to debt instruments[2], resulting in the partial or total write-down of these instruments or their conversion into equity in order to absorb losses.

With respect to the corporate centre and all affiliated entities, the resolution authorities may decide to implement, in a coordinated manner, impairment or conversion measures and, where applicable, internal bailouts. In such an event, the impairment or conversion measures and, where applicable, internal bailout measures would apply to all entities within the Crédit Agricole network, regardless of the entity in question and regardless of the origin of the losses.

The creditor hierarchy in resolution is defined by the provisions of Article L 613-55-5 of the CMF, effective as at the date of implementation of the resolution.

Equity holders and creditors of the same rank or with identical rights in liquidation will then be treated equally, regardless of the Group entity of which they are creditors.

The scope of this internal bailout, which also aims to recapitalise the Crédit Agricole Group, is based on capital requirements at the consolidated level.

Investors must then be aware that there is therefore a significant risk that holders of shares, mutual shares, CCIs and CCAs and holders of debt instruments of a member of the network will lose all or part of their investment if a resolution procedure is implemented on the Group, regardless of the entity of which they are a creditor.

The other resolution tools available to the resolution authorities are essentially the total or partial transfer of the activities of the institution to a third party or to a bridge institution and the separation of the assets of the institution.

This resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, which applies to the Crédit Agricole network, as defined in Article R. 512-18 of the same Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution procedure.

The implementation of a resolution procedure to the Crédit Agricole Group would thus mean that the legal internal solidarity mechanism had failed to remedy the failure of one or more network entities, and hence of the network as a whole. It would also limit the likelihood that the conditions for triggering the guarantee covering the liabilities of Crédit Agricole S.A., granted in 1988 to its third party creditors by the Regional Banks on a joint and several basis and up to the amount of their aggregate capital, are met. It should be recalled that this guarantee may be implemented in the event of an asset shortfall following Crédit Agricole S.A.'s court-ordered liquidation or dissolution.

(1) Articles L. 613-48 and L. 613-48-3 of the CMF, projected date: end Q1 2022.
(2) Articles L. 613-55 and L. 613-55-1 of the CMF.

1.5. INFORMATION ABOUT RELATED PARTIES

The Crédit Agricole CIB Group's related parties are the Crédit Agricole Group companies and the Crédit Agricole CIB Group companies that are fully consolidated or consolidated using the equity method, and the Group's senior executives.

Relations with the Crédit Agricole Group

The on-and off-balance sheet amounts representing transactions between the Crédit Agricole CIB Group and the rest of the Crédit Agricole Group are summarised in the following table:

Outstandings (€ million)	31.12.2021
Assets	
Loans and advances	34,169
Derivatives financial instruments held for trading	18,104
Liabilities	
Accounts and deposits	58,738
Derivatives financial instruments held for trading	17,686
Subordinated debts	4,079
Preferred shares	-
Financing and guarantee commitments	
Other guarantees given	1,147
Counter-guarantees received	4,430
Other guarantees received	-
Refinancing agreements received	-

The account and loan outstandings reflect the cash flows between Crédit Agricole CIB and Crédit Agricole Group.

The held-for-trading derivative outstandings mainly represent Crédit Agricole Group interest rate hedging transactions arranged in the market by Crédit Agricole CIB.

Crédit Agricole CIB, which has been 99.9% owned by Crédit Agricole Group since 27 December 1996, and a number of its subsidiaries, belong to Crédit Agricole S.A.'s tax consolidation group.

As such, Crédit Agricole S.A. compensates the Crédit Agricole CIB sub-group for its tax losses, which are charged against the Crédit Agricole Group's taxable income.

Relations between the Crédit Agricole CIB Group's consolidated companies

The list of the Crédit Agricole CIB Group's consolidated companies can be found in Note 12.

Any transactions between two fully consolidated entities have been completely eliminated.

Any outstandings at year-end between fully consolidated companies and those consolidated using the equity method have not been eliminated from the Group's consolidated financial statements.

At 31 December 2021, the non-netted outstandings on and off the balance sheet reported by Crédit Agricole CIB with its affiliate UBAF are:

Outstandings (€ million)	31.12.2021
Assets	
Loans and advances	-
Derivatives financial instruments held for trading	4
Liabilities	
Accounts and deposits	1
Derivatives financial instruments held for trading	8
Financing and guarantee commitments	
Other guarantees given	54
Counter-guarantees received	2

Relations with senior executives

Information on the remuneration of senior executives is detailed in Note 7.7 "Executive compensation".

2. CONSOLIDATED FINANCIAL STATEMENTS

2.1. INCOME STATEMENT

€ million	Notes	31.12.2021	31.12.2020
Interest and similar income	4.1	4,933	5,310
Interest and similar expenses	4.1	(1,556)	(2,127)
Fee and commission income	4.2	1,662	1,603
Fee and commission expenses	4.2	(721)	(664)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	1,501	1,738
Net gains (losses) on held for trading assets/liabilities	-	480	1,881
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	-	1,021	(143)
Net gains (losses) on financial instruments at fair value through other comprehensive income	4.4	32	35
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss	-	17	-
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	-	15	35
Net gains (losses) arising from the derecognition of financial assets at amortised cost	4.5	8	7
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss	-	-	-
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss	-	-	-
Income on other activities	4.6	117	99
Expenses on other activities	4.6	(63)	(67)
Revenues	-	**5,913**	**5,934**
Operating expenses	4.7	(3,474)	(3,284)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.8	(221)	(215)
Gross operating income	-	**2,218**	**2,435**
Cost of risk	4.9	(54)	(856)
Operating income	-	**2,164**	**1,579**
Share of net income of equity-accounted entities	-	-	-
Net gains (losses) on other assets	4.10	(39)	4
Change in value of goodwill	6.14	-	-
Pre-tax income	-	**2,125**	**1,583**
Income tax charge	4.11	(432)	(209)
Net income from discontinued operations	-	7	(25)
Net income	-	**1,700**	**1,349**
Non-controlling interests	6.18	9	8
NET INCOME GROUP SHARE	-	**1,691**	**1,341**
Earnings per share (in euros) [1]	6.17	4.75	3.70
Diluted earnings per share (in euros) [1]	6.17	4.75	3.70

[1] Corresponds to income including net income from discontinued operations.

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2.2. NET INCOME AND OTHER COMPREHENSIVE INCOME

€ million	Notes	31.12.2021	31.12.2020
Net income	-	1,700	1,349
Actuarial gains and losses on post-employment benefits	4.12	126	(39)
Other comprehensive income on financial liabilities attributable to changes in own credit risk [1]	4.12	(18)	(148)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss [1]	4.12	30	(142)
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	4.12	**138**	**(329)**
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	4.12	**-**	**-**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	4.12	**(23)**	**85**
Income tax related to items accounted that will not be reclassified to profit or loss on equity-accounted entities	4.12	**-**	**-**
Other comprehensive income on items that will not be reclassified to profit or loss on entities from discontinued operations	4.12	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	4.12	**115**	**(244)**
Gains and losses on translation adjustments	4.12	570	(486)
Other comprehensive income on debt instruments that may be reclassified to profit or loss	4.12	(7)	22
Gains and losses on hedging derivative instruments	4.12	(549)	223
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	4.12	**14**	**(241)**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	4.12	**-**	**-**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	4.12	**144**	**(23)**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	4.12	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss on entities from discontinued operations	4.12	**-**	**(4)**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	4.12	**158**	**(268)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	4.12	**273**	**(512)**
NET INCOME AND OTHER COMPREHENSIVE INCOME	-	**1,973**	**837**
Of which Group share	-	1,962	830
Of which non-controlling interests	-	12	7

[1] The amount of the items that will not be reclassified in profit and loss transfered to reserves is detailed in note 4.12.

2.3. BALANCE SHEET - ASSETS

€ million	Notes	31.12.2021	31.12.2020
Cash, central banks	6.1	65,067	54,435
Financial assets at fair value through profit or loss	3.1 - 6.2 - 6.6 - 6.7	250,740	284,415
Financial assets held for trading	-	250,376	284,101
Other financial instruments at fair value through profit or loss	-	364	314
Hedging derivative Instruments	3.1 - 3.2 - 3.4	1,323	1,503
Financial assets at fair value through other comprehensive income	3.1 - 6.4 - 6.6 - 6.7	13,428	11,311
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	13,081	11,042
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	-	347	269
Financial assets at amortised cost	3.1 - 3.3 - 6.5 - 6.6 - 6.7	239,071	203,632
Loans and receivables due from credit institutions	-	43,600	26,742
Loans and receivables due from customers	-	165,830	142,000
Debt securities	-	29,641	34,890
Revaluation adjustment on interest rate hedged portfolios	-	7	-
Current and deferred tax assets	6.10	1,102	964
Accruals, prepayments and sundry assets	6.11	26,660	34,789
Non-current assets held for sale and discontinued operations	-	10	523
Investments in equity-accounted entities	6.12	-	-
Investment property	-	1	2
Property, plant and equipment	6.13	829	892
Intangible assets	6.13	420	381
Goodwill	6.14	1,063	1,043
TOTAL ASSETS	-	**599,721**	**593,890**

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2.4. BALANCE SHEET - LIABILITIES

€ million	Notes	31.12.2021	31.12.2020
Central banks	6.1	1,224	837
Financial liabilities at fair value through profit or loss	6.2	247,587	274,228
Held for trading financial liabilities	-	221,904	250,169
Financial liabilities designated at fair value through profit or loss	-	25,683	24,059
Hedging derivative Instruments	3.2 - 3.4	1,202	1,709
Financial liabilities at amortised cost	6.8	289,788	252,763
Due to credit institutions	3.3 - 6.8	78,442	61,450
Due to customers	3.1 - 3.3 - 6.8	159,578	149,084
Debt securities	3.2 - 3.3 - 6.8	51,768	42,229
Revaluation adjustment on interest rate hedged portfolios	-	9	95
Current and deferred tax liabilities	6.10	2,106	2,123
Accruals, prepayments and sundry liabilities	6.11	25,851	33,293
Liabilities associated with non-current assets held for sale and discontinued operations	-	9	451
Insurance compagny technical reserves	-	9	8
Provisions	6.15	1,337	1,426
Subordinated debt	6.16	4,079	4,351
Total Liabilities	-	**573,201**	**571,284**
Equity	-	**26,520**	**22,606**
Equity - Group share	-	**26,400**	**22,484**
Share capital and reserves	-	17,333	14,074
Consolidated reserves	-	7,238	7,202
Other comprehensive income	4.12	138	(133)
Other comprehensive income on discontinued operations	-	-	-
Net income (loss) for the year	-	1,691	1,341
Non-controlling interests	-	**120**	**122**
TOTAL LIABILITIES AND EQUITY	-	**599,721**	**593,890**

2.5. STATEMENT OF CHANGES IN EQUITY

	Group share									
	Share and capital reserves					Other comprehensive income				
€ million	Share capital	Share premium and con-solidated reserves	Elimina-tion of treasury shares	Other equity instru-ments	Total capital and consol-idated reserves	Other com-prehensive income on items that may be reclassified to profit and loss	Other com-prehensive income on items that will not be reclassified to profit and loss	Total other comprehen-sive income	Net in-come	Total equity
Equity at 1st January 2020	**7,852**	**10,428**	**-**	**3,374**	**21,654**	**815**	**(437)**	**378**	**-**	**22,032**
Capital increase	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-	-	-	-	-
Issuance / repayment of equity instruments	-	-	-	500	500	-	-	-	-	500
Remuneration of undated deeply subordinated notes	-	-	-	(264)	(264)	-	-	-	-	(264)
Dividends paid in 2020	-	(512)	-	-	(512)	-	-	-	-	(512)
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Changes due to share-based payments	-	3	-	-	3	-	-	-	-	3
Changes due to transactions with shareholders	**-**	**(509)**	**-**	**236**	**(273)**	**-**	**-**	**-**	**-**	**(273)**
Changes in other comprehensive income	**-**	**(16)**	**-**	**-**	**(16)**	**(268)**	**(243)**	**(511)**	**-**	**(527)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(13)	-	-	(13)	-	13	13	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	(3)	-	-	(3)	-	3	3	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-	-	-	-	-
Net income for 2020	-	-	-	-	-	-	-	-	1,341	1,341
Other variations	-	(89)	-	-	(89)	-	-	-	-	(89)
Equity at 31 December 2020	**7,852**	**9,814**	**-**	**3,610**	**21,276**	**547**	**(680)**	**(133)**	**1,341**	**22,484**
Appropriation of 2020 net income	-	1,341	-	-	1,341	-	-	-	(1,341)	-
Equity at 1st January 2021	**7,852**	**11,155**	**-**	**3,610**	**22,617**	**547**	**(680)**	**(133)**	**-**	**22,484**
Impacts of new accounting standards, IFRIC decisions/ interpretations [1]	-	30	-	-	30	-	-	-	-	30
Equity at 1st January 2021 Restated	**7,852**	**11,185**	**-**	**3,610**	**22,647**	**547**	**(680)**	**(133)**	**-**	**22,514**
Capital increase	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-	-	-	-	-
Issuance / repayment of equity instruments	-	-	-	3,259	3,259	-	-	-	-	3,259
Remuneration of undated deeply subordinated notes	-	-	-	(308)	(308)	-	-	-	-	(308)
Dividends paid in 2021	-	(1,024)	-	-	(1,024)	-	-	-	-	(1,024)
Dividends received from Regional Banks and subsidiaries	-	-	-	-	-	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Changes due to share-based payments	-	2	-	-	2	-	-	-	-	2
Changes due to transactions with shareholders	**-**	**(1,022)**	**-**	**2,951**	**1,929**	**-**	**-**	**-**	**-**	**1,929**
Changes in other comprehensive income	**-**	**1**	**-**	**-**	**1**	**158**	**113**	**271**	**-**	**272**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	-	-	-	-	-	-	-	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	-	-	-	-	-	-	-	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-	-	-	-	-
Net income for 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,691**	**1,691**
Other variations	-	(6)	-	-	(6)	-	-	-	-	(6)
EQUITY AT 31 DECEMBER 2021	**7,852**	**10,158**	**-**	**6,561**	**24,571**	**705**	**(567)**	**138**	**1,691**	**26,400**

[1] Estimated impact of the first application of the IFRS IC decision of 21 April 2021 on the computation of commitments relating to certain defined benefit plans (cf. note 1.1 Applicable standards and comparability).

The impact on equity would have been of €26 million in 2020 and €4 million in 2021.

€ million	Non-controlling interests					
		Other comprehensive income				
	Capital, associated reserves and income	Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	Total other comprehensive income	Total equity	Total consolidated equity
Equity at 1st January 2020	**118**	**1**	**(4)**	**(3)**	**115**	**22,147**
Capital increase	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-
Issuance / repayment of equity instruments	-	-	-	-	-	500
Remuneration of undated deeply subordinated notes	-	-	-	-	-	(264)
Dividends paid in 2020	-	-	-	-	-	(512)
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	-	-	-	-	-	3
Changes due to transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**(273)**
Changes in other comprehensive income	**-**	**-**	**(1)**	**(1)**	**(1)**	**(528)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	-	-	-	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	-	-	-	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-
Net income for 2020	8	-	-	-	8	1,349
Other variations	-	-	-	-	-	(89)
Equity at 31 December 2020	**126**	**1**	**(5)**	**(4)**	**122**	**22,606**
Appropriation of 2020 net income	-	-	-	-	-	-
Equity at 1st January 2021	**126**	**1**	**(5)**	**(4)**	**122**	**22,606**
Impacts of new accounting standards, IFRIC decisions/ interpretations [1]	-	-	-	-	-	30
Equity at 1st January 2021 Restated	126	1	(5)	(4)	122	22,636
Capital increase	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-
Issuance / repayment of equity instruments	-	-	-	-	-	3,259
Remuneration of undated deeply subordinated notes	-	-	-	-	-	(308)
Dividends paid in 2021	(9)	-	-	-	(9)	(1,033)
Dividends received from Regional Banks and subsidiaries	-	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	-	-	-	-	-	2
Changes due to transactions with shareholders	**(9)**	**-**	**-**	**-**	**(9)**	**1,920**
Changes in other comprehensive income	**-**	**-**	**2**	**2**	**2**	**274**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	-	-	-	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	-	-	-	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-
Net income for 2021	**9**	**-**	**-**	**-**	**9**	**1,700**
Other variations	(4)	-	-	-	(4)	(10)
EQUITY AT 31 DECEMBER 2021	**122**	**1**	**(3)**	**(2)**	**120**	**26,520**

[1] Estimated impact of the first application of the IFRS IC decision of 21 April 2021 on the computation of commitments relating to certain defined benefit plans (cf. note 1.1 Applicable standards and comparability).

The impact on equity would have been of €26 million in 2020 and €4 million in 2021.

2.6. CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities are the Crédit Agricole CIB Group's revenue generating activities.

Tax inflows and outflows are presented in full within operating activities.

Investment activities represent the cash flows involved in purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This heading includes the strategic equity investments recognised in "fair value through profit or loss" or "fair value through other comprehensive income that cannot be reclassified to profit or loss".

Financing activities show the changes linked to financial structure-related transactions involving shareholders' equity and long-term financing.

Net cash flows attributable to the operating, investment and financing activities **of discontinued operations** are presented under separate headings in the cash flow statement.

Net cash and cash equivalents include cash, amounts due to and from central banks, and demand accounts (assets and liabilities) and loans held with credit institutions.

€ million	Notes	31.12.2021	31.12.2020
Pre-tax income	-	**2,125**	**1,583**
Net depreciation and impairment of property, plant & equipment and intangible assets	-	223	214
Impairment of goodwill and other fixed assets	-	-	-
Net addition to provisions	-	138	993
Share of net income of equity-accounted entities	-	-	-
Net income (loss) from investment activities	-	39	(1)
Net income (loss) from financing activities	-	99	164
Other movements	-	(1,396)	4,423
Total non-cash and other adjustment items included in pre-tax income	-	**(897)**	**5,793**
Change in interbank items	-	(2,103)	9,145
Change in customer items	-	(5,809)	13,345
Change in financial assets and liabilities	-	14,336	(29,998)
Change in non-financial assets and liabilities	-	(247)	2,654
Dividends received from equity-accounted entities	-	-	-
Tax paid	-	(454)	(290)
Net change in assets and liabilities used in operating activities	-	5,723	(5,144)
Cash provided (used) by discontinued operations	-	11	23
Total net cash flows from (used by) operating activities (A)	-	**6,962**	**2,255**
Change in equity investments [1]	-	(88)	34
Change in property, plant & equipment and intangible assets	-	(129)	(136)
Cash provided (used) by discontinued operations	-	-	-
Total net cash flows from (used by) investment activities (B)	-	**(217)**	**(102)**
Cash received from (paid to) shareholders [2]	-	1,917	(256)
Other cash provided (used) by financing activities [3]	-	(390)	(627)
Cash provided (used) by discontinued operations	-	-	4
Total net cash flows from (used by) financing activities (C)	-	**1,527**	**(879)**
Impact of exchange rate changes on cash and cash equivalent (D)	-	**72**	**(1,169)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)	-	**8,344**	**105**
Cash and cash equivalents at beginning of period	-	**53,669**	**53,564**
Net cash accounts and accounts with central banks *	-	53,594	56,438
Net demand loans and deposits with credit institutions **	-	75	(2,874)
Cash and cash equivalents at end of period	-	**62,013**	**53,669**
Net cash accounts and accounts with central banks *	-	63,840	53,594
Net demand loans and deposits with credit institutions **	-	(1,827)	75
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	**8,344**	**105**

** Consisting of the net balance of the Cash and central banks item, excluding accrued interest and including cash of entities reclassified as held-for-sale operations.*

*** Consisting of the balance of Performing current accounts in debit and Performing overnight accounts and advances as detailed in Note 6.5 and Current accounts in credit and overnight accounts and advances as detailed in Note 6.8 (excluding accrued interest).*

[1] Flows related to equity investments: This line includes net impacts of acquisitions and disposals of consolidated equity investments on cash. These external operations are described in Note 2 "Major structural transactions and material events during the period". The deconsolidation of CACIB Algeria entity has an impact of € -68 millions.

[2] Cashflows from or for shareholders : For the year 2021, this amount includes the payment of Crédit Agricole CIB dividends to Crédit Agricole S.A. for € -996 million, an AT1 subscribed by Crédit Agricole S.A for € 3 259 million and a payment of interest under the AT1 issue of € - 308 million.

[3] Other cash provided (used) by financing activity: this line primarily lists the TSS call exercise for -€602 million, AT2 issuances for +€411 million, as well as the TSS coupons payment for -€49 million.

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Detailed notes contents

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GROUP ACCOUNTING POLICIES AND PRINCIPLES, ASSESSMENTS AND ESTIMATES APPLIED

1.1 Applicable standards and comparability

Pursuant to EC Regulation No. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS and IFRIC applicable at 31 December 2021 and as adopted by the European Union (carve-out version), by using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards are available on the website of the European Commission at the following address: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

The standards and interpretations are the same as those applied and described in the Group's financial statements at 31 December 2020.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2021 and that must be applied in 2021 for the first time.

They cover the following:

Standards, amendments or interpretations	Date of mandatory first-time application: financial years beginning on or after	Applicable in the Group
Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1st January 2021 [1]	Yes
Amendment to IFRS 16 2nd Amendment on Covid-19-Related Rent Concessions	1st April 2021	Yes [2]

[1] The Group opted for the early adoption of the amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 regarding interest rate benchmark reform - Phase 2 as from 1 January 2020.

[2] Retrospective application on 1st January 2021. This amendment had no impact on the financial statements of the Crédit Agricole CIB Group.

1.1.1 BENCHMARK REFORMS

In early 2019, the Crédit Agricole Group implemented a programme to prepare and manage the transition of benchmarks for all its activities, with a breakdown into dedicated projects in each affected entity. This programme is part of the timetables and standards defined by market work - some of which Crédit Agricole actively participated in - and the European regulatory framework (BMR).

In accordance with the recommendations of the national working groups and the authorities, the Group has focused as much as possible on switching to alternative indices in anticipation of the disappearance of benchmarks while aiming to meet the deadlines set by the marketplace or imposed by the authorities and, as far as possible, incentive milestones. Significant investments and a strong mobilisation of the operational teams and business lines were implemented to adapt the tools and absorb the workload caused by these transitions, including the modification of contracts. It should be noted that IT developments have been highly dependent on the timing of determining the target LIBOR alternative indices and the emergence of market standards.

The orderly and controlled completion of these transitions has been ensured by all the actions taken since 2019. In the second half of 2021, the entities focused their efforts on finalising all IT developments and intensifying information campaigns and interactions with customers in order to explain to them more in detail the transition procedures and continue efforts to prevent conduct risks.

The work carried out has also enabled the Group's entities to manage new RFR product offerings while maintaining its standards of customer experience and satisfaction.

- **Transition review at 31/12/2021**

For most of the entities and activities concerned, the proactive transition plans were activated as soon as possible in 2021 with an intensification in the second half of the year: cash loans/borrowing between Group entities, customer deposit accounts, interest rate derivatives offset in bulk via the conversion cycles of clearing houses in October (EONIA) and in December (LIBOR excl. USD).

The activation of fallback clauses - considered as a "safety net" - concerned, on the whole, a smaller proportion of the stock of contracts impacted by the changes in the benchmark index. For non-cleared derivatives covered by ISDA, there was increased use of the ISDA fallback.

For certain scopes of financing contracts and especially for financing activities in CHF, specific transition procedures have been adopted. They consist of the use of a final LIBOR fixing in 2021 and the use of the replacement rate from 2022.

At the Crédit Agricole CIB Group level, few contracts could not be renegotiated before the disappearance of the indices or the switch to an alternative index by activation of the fallback clause. This residual stock of contracts concerns either negotiations that have not been finalised at 31 December 2021 and which are expected to end in 2022, or contracts that will benefit from the legislative measures in force if negotiations fail.

Risk management

In addition to preparing and implementing the replacement of benchmarks that will disappear or become non-representative at 31 December 2021 and ensuring compliance with BMR regulations, the project initiatives also aim to manage and control the risks inherent in the benchmark transitions, particularly with regard to financial, operational, legal and compliance aspects and in particular as regards client protection (prevention of conduct risk).

For example, on the financial side, the risk of market fragmentation caused by the use of different types of interest rates (calculation of a predetermined rate at the beginning of the interest period known as "forward looking" or post-determined interest rate calculation known as "backward looking") and different conventions according to asset/currency classes may lead to financial risks for players in the sector. It is nevertheless expected that these risks, clearly identified within the Group, should tend to reduce as market standards emerge and that the private sector - with the support of banks - will be able to manage this fragmentation.

LIBOR USD

In 2022, the transition programme continued, notably to prepare for the cessation of the publication of the LIBOR USD or its non-representative effect in June 2023. For the transition of USD LIBOR, the implementation of a legislative framework will be confirmed at a later stage by the UK authorities, with the US authorities having already approved the designation of statutory replacement rates for contracts governed by New York law.

So that the hedging relationships affected by this interest rate benchmark reform can be maintained despite the uncertainties about the timetable and the arrangements for the transition between the current and future benchmarks, the IASB has published amendments to IAS 39, IFRS 9 and IFRS 7 in September 2019 that were adopted by the European Union on 15 January 2020. The Group will apply these amendments as long as uncertainties about the future of the benchmarks have an impact on the amounts and payment dates of interest flows and, as such, considers that all of its hedging contracts, and mainly those linked to EONIA and LIBOR rates (USD, GBP, CHF and JPY), are eligible for the relief afforded by the amendments at 31 December 2021.

At 31 December 2021, the hedging instruments identified as being affected by the reform, and for which there are still uncertainties, amount to a nominal value of €75.3 billion.

Other amendments, published by the IASB in August 2020, complement those published in 2019 and focus on the accounting consequences of replacing old benchmark interest rates with other benchmark rates following reforms.

These "Phase 2" modifications mainly concern changes in contractual cash flows. They allow entities not to derecognise or adjust the carrying value of financial instruments in order to take account of the changes required by the reform, but rather to update the effective interest rate to reflect the change in the alternative reference rate.

For hedge accounting, entities will not have to dequalify their hedging relationships when making the changes required by the reform and subject to economic equivalence.

At 31 December 2021, the breakdown by significant benchmark index of instruments based on the old benchmark rates, and which must transition to the new rates before their maturity, is as follows:

€ million	EONIA	LIBOR USD	LIBOR GBP	LIBOR JPY	LIBOR CHF	LIBOR EUR
Total financial assets (excluding derivatives)	-	34,053	1,278	148	200	-
Total financial liabilities (excluding derivatives)	-	6,210	-	-	-	-
Total notional amount of derivatives	-	2,344,084	1,269	116	-	-

In the absence of announcements regarding the forthcoming replacement of the EURIBOR, WIBOR and STIBOR indices, these indices were excluded from the quantitative data provided.

Outstandings in USD LIBOR are those with a maturity date subsequent to 30/06/2023, the date of disappearance or non-representativeness of tenors DD, 1 month, 3 months, 6 months and 12 months.

For the other indices, contracts switched to the alternative rate by activating the fallback clause were excluded from the scope. As a result, assets under management in EONIA and CHF LIBOR correspond to contracts whose renegotiation was not finalised at 31 December 2021 and for which there is no provision for recourse to the existing legislation. Outstandings in GBP and JPY LIBOR correspond to the residual stock of contracts for which renegotiations with customers are in progress and which are expected to end in 2022. These outstandings could be covered by the European Commission's system currently in place, should negotiations fail.

For non-derivative financial instruments, exposures correspond to the nominal value of the securities and the outstanding principal of depreciable instruments.

1.1.2 ACCOUNTING CONSEQUENCES OF THE APRIL 2021 IFRS IC DECISION ON THE ALLOCATION OF POST-EMPLOYMENT BENEFITS TO SERVICE PERIODS FOR DEFINED-BENEFIT PLANS

In December 2020, the IFRS IC was asked about the methodology for calculating the actuarial liabilities of defined-benefit plans and the vesting period for the rights to be used for which the number of years of seniority giving rise to the award of entitlements is capped. Following analysis of several approaches, IFRS IC adopted the approach of matching the maximum period prior to retirement age and enabling entitlements to be obtained.

The plans concerned by the IFRS IC decision on IAS 19 are those for which:

- The allocation of entitlements is subject to the presence in the company at the time of retirement (with the loss of any right in the event of early retirement);
- Entitlements depend on seniority, but are capped from a certain number of years of service, with the ceiling, at least for certain employees, being reached largely before retirement.

This decision constitutes a change in method in the approaches adopted by the Group.

The impact of this decision, which was recorded at 1 January 2021, was €40 million in terms of actuarial liabilities (see Note 7 - Employee benefits and other compensation).

The impact on the financial statements was €40 million in terms of provisions for employee benefits (see Note 6.15 - Provisions) and without surplus assets (recorded in Note 6.11 - Accruals) against shareholders' equity (impact of €30 million after taking into account tax effects - See Statement of changes in shareholders' equity)

At 1 January 2020, the impact on actuarial liabilities would have been €35 million and the impact on equity €26 million.

Furthermore, when the early application of standards and interpretations adopted by the European Union is optional over a period, the option is not used by the Group, unless specifically stated.

This concerns in particular:

Standards, amendments or interpretations	Date of first-time application: financial years beginning on or after	Applicable in the Group
Improvements to IFRS cycle 2018-2020 - **IFRS 1** First adoption of International Financial Reporting Standards, - **IFRS 9** Financial instruments, and - **IAS 41** Agriculture	1 January 2022	Yes
Amendment to IFRS 3 References to the conceptual framework	1 January 2022	Yes
Amendment to IFRS 16 Sale proceeds before intended use	1 January 2022	Yes
Amendment to IAS 37 Costs to consider when determining if a contract is onerous	1 January 2022	Yes

1.1.3 STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION AT 31 DECEMBER 2021

The standards and interpretations published by the IASB at 31 December 2021 but not yet adopted by the European Union are not applicable by the Group. Their application will become mandatory from the date specified by the European Union and they were therefore not applied by the Group at 31 December 2021.

1.2 Accounting policies and methods

1.2.1 USE OF ASSESSMENTS AND ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

By their nature, the assessments necessary for the production of the consolidated financial statements are based on certain assumptions and are subject to risks and uncertainties relating to their future occurrence.

Future achievements can be influenced by a number of factors, including:

- domestic and international market activities;
- fluctuations in interest and exchange rates;
- economic and political conditions in certain business sectors or countries;
- changes in regulations or legislation.

This is not an exhaustive list.

Accounting estimates that require assumptions are mainly used for the following valuations:

- financial instruments measured at fair value;
- non-consolidated investments;
- pension plans and other future employee benefits;
- stock options plans;
- impairment of debt instruments at amortised cost or at fair value through other comprehensive income that may be reclassified to profit or loss;
- provisions;
- goodwill impairment;
- deferred tax assets;
- the valuation of companies accounted for by the equity method;
- deferred profit-sharing.

The procedures for using judgements or estimates are set out in the relevant paragraphs below.

1.2.2 FINANCIAL INSTRUMENTS (IFRS 9, IAS 32 AND 39)

◆ Definitions

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, i.e. any contract representing a contractual right or obligation to receive or deliver cash or another financial asset.

Derivative instruments are financial assets or liabilities whose value changes in line with that of an underlying, which require a low or zero initial investment, and which are settled at a future date.

Financial assets and liabilities are treated in the financial statements in accordance with the provisions of IFRS 9 as adopted by the European Union, including financial assets held by the Group's insurance entities.

IFRS 9 sets out the principles for the classification and measurement of financial instruments, impairment/provisioning of credit risk and hedge accounting, excluding macro-hedges.

However, it is specified that Crédit Agricole CIB uses the option not to apply the general hedging model of IFRS 9. As a result, all hedging relationships remain within the scope of IAS 39 pending future macro-hedging provisions.

"Green financial assets" and "green bonds" comprise a variety of instruments, including loans to finance environmental projects. It should be noted that not all financial instruments subject to this qualification necessarily have a variable remuneration based on ESG criteria. This terminology may change depending on future European regulations. These instruments are recognised in accordance with IFRS 9 in accordance with the principles set out below.

Conventions for measuring financial assets and liabilities

INITIAL MEASUREMENT

On initial recognition, financial assets and liabilities are measured at fair value as defined by IFRS 13.

Fair value as defined by IFRS 13 is the price that would be received for the sale of an asset or paid for the transfer of a liability in an ordinary transaction between market participants, in the principal or most advantageous market, at the measurement date.

SUBSEQUENT MEASUREMENT

After initial recognition, financial assets and liabilities are measured according to their classification either at amortised cost using the effective interest rate (EIR) method for debt instruments, or at their fair value as defined by IFRS 13. Derivatives are always measured at fair value.

Amortised cost corresponds to the amount at which the financial asset or financial liability is measured on initial recognition, including transaction costs directly attributable to its acquisition or issue, less principal repayments, plus or minus the accumulated amortisation - calculated using the effective interest method - of any difference (discount or premium) between the initial amount and the amount at maturity. In the case of a financial asset at amortised cost or at fair value through other comprehensive income that may be reclassified to profit or loss, the amount may be adjusted if necessary for impairment losses (see paragraph “Provision for credit risk”).

The effective interest rate (EIR) is the rate that exactly discounts the future cash outflows or receipts planned over the expected life of the financial instrument or, as the case may be, over a shorter period in order to obtain the net book value of the financial asset or liability.

Financial assets

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Non-derivative financial assets (debt or equity instruments) are classified in the balance sheet in accounting categories that determine their accounting treatment and their subsequent valuation mode.

The criteria for the classification and measurement of financial assets depend on the nature of the financial assets, according to whether they are qualified as:

- debt instruments (for example fixed or determinable-income securities and loans); or
- equity instruments (for example, shares).

These financial assets are classified in one of the following three categories:

- financial assets at fair value through profit or loss;
- financial assets at amortised cost (debt instruments only);
- financial assets at fair value through other comprehensive income (for debt instruments, that may be reclassified to profit or loss; for equity instruments, that cannot be reclassified to profit or loss).

DEBT INSTRUMENTS

The classification and measurement of a debt instrument depends on two criteria: the business model defined at the portfolio level and the analysis of contractual characteristics determined by debt instrument, unless the fair value option is used.

The three business models:

The business model is representative of Crédit Agricole CIB’s management strategy for managing its financial assets, in order to achieve its objectives. The business model is specified for a portfolio of assets and does not constitute an intention on a case-by-case basis for an isolated financial asset.

There are three business models:

- The “hold to collect” model, the objective of which is to collect contractual cash flows over the life of the assets; this model does not systematically involve holding all of the assets until their contractual maturity; however, the sale of assets is strictly controlled;
- The “hold to collect and sell” model, the objective of which is to collect cash flows over the life of the asset and to dispose of the assets; under this model, the sale of financial assets and the collection of cash flows are both essential; and
- The “other/sell” model, the main objective of which is to sell the assets.

  In particular, it concerns portfolios whose objective is to collect cash flows through disposals, portfolios whose performance is assessed on the basis of its fair value, and portfolios of financial assets held for trading.

  When the strategy followed by management for the management of financial assets does not correspond to the “hold to collect” or “collect and sell” model, these financial assets are classified in a portfolio with an “other/sell” business model.

Contractual characteristics (“Solely Payments of Principal & Interest” or “SPPI” test):

The SPPI test combines a set of criteria, examined cumulatively, to determine whether the contractual cash flows meet the characteristics of a simple financing (principal repayments and interest payments on the principal amount outstanding).

The conditions for the test are met when the financing is eligible only for the repayment of the principal and when the payment of interest received reflects the time value of money, the credit risk associated with the instrument, the other costs and risks of a traditional loan agreement and a reasonable margin, whether the interest rate is fixed or variable.

In simple financing, interest represents the cost of time, the price of credit and liquidity risk over the period, and other components related to the cost of carrying the asset (e.g. administrative costs, etc.).

In some cases, this qualitative analysis does not make it possible to conclude, a quantitative analysis (or Benchmark text) is carried out. This additional analysis consists of comparing the contractual cash flows of the asset under consideration and the cash flows of a reference asset.

If the difference between the cash flows of the financial asset and that of the reference is considered immaterial, the asset is considered as a simple financing.

In addition, a specific analysis will be carried out in the event that the financial asset is issued by special purpose entities setting an order of priority for payment among the holders of the financial assets by contractually linking multiple instruments and creating concentrations of credit risk (“tranches”).

Each tranche is assigned a subordination ranking which specifies the order of distribution of the cash flows generated by the structured entity.

In this case, the SPPI test requires an analysis of the contractual cash flow characteristics of the asset in question and the underlying assets according to the look-through approach and the credit risk borne by the subscribed tranches compared to the credit risk of the underlying assets.

The accounting method for debt instruments resulting from the qualification of the business model coupled with the SPPI test can be presented in the form of the diagram below:

DEBT INSTRUMENTS		BUSINESS MODELS		
		COLLECT	COLLECT AND SELL	OTHER/ SELL
SPPI TEST	SATISFIED	Amortised cost	Fair value through other comprehensive income that can be reclassified to profit or loss	Fair value through profit or loss (SPPI test N/A)
SPPI TEST	NON SATISFIED	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss (SPPI test N/A)

Debt instruments at amortised cost

Debt instruments are measured at amortised cost if they are eligible for the "hold to collect" model and if they meet the conditions of the SPPI test.

They are recorded at the settlement date and their initial valuation also includes accrued coupons and transaction costs.

The amortisation of any premiums/discounts and transaction costs of loans and receivables and fixed-income securities is recognised in profit or loss using the effective interest rate method.

This category of financial instruments is subject to ECL (Expected Credit Loss) adjustments under the conditions described in the specific paragraph "Impairment/provision for credit risk".

Debt instruments at fair value through other comprehensive income that can be reclassified

Debt instruments are measured at fair value through other comprehensive income on items that can be reclassified to profit or loss if they are eligible for the collect and sell model and if they meet the conditions of the SPPI test.

They are recorded at the trade date and their initial valuation also includes accrued coupons and transaction costs. Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in profit or loss using the effective interest rate method.

These financial assets are subsequently measured at fair value and changes in fair value are recognised in other comprehensive income that may be reclassified to profit or loss with an offsetting entry in outstandings (excluding accrued interest recognised in profit or loss using the effective interest rate method).

In the event of a disposal, these changes are transferred to profit or loss.

This category of financial instruments is subject to ECL adjustments under the conditions described in the specific paragraph "Impairment/provision for credit risk" (without this affecting the fair value on the balance sheet).

Debt instruments at fair value through profit or loss

Debt instruments are measured at fair value through profit or loss in the following cases:

- The instruments are classified in portfolios consisting of financial assets held for trading or whose main objective is disposal;

  Financial assets held for trading are assets acquired or generated by the company primarily for the purpose of selling them in the short term or that are part of a portfolio of instruments jointly managed for the purpose of making a profit related to short-term price fluctuations or an arbitrage margin. Although contractual cash flows are received during the time that Crédit Agricole CIB holds the assets, the collection of these contractual cash flows is not essential but ancillary.
- Debt instruments that do not meet the SPPI test criteria. This is particularly the case for UCIs (Undertakings for Collective Investment);
- Financial instruments classified in portfolios for which Crédit Agricole CIB chooses fair value measurement in order to reduce a difference in accounting treatment in the income statement. In this case, they are designated at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly recorded in profit or loss) and including accrued interest.

They are subsequently measured at fair value and changes in fair value are recognised in profit or loss under Net Banking Income (NBI), with an offsetting entry in outstandings. Interest on these instruments is recognised under "Net gains or losses on financial instruments at fair value through profit or loss".

This category of financial assets is not subject to impairment in respect of credit risk.

Debt instruments measured at fair value through profit or loss by type (if the SPPI test fails) or whose business model is "Other/sell" are recorded on the balance sheet at the settlement-delivery date and are subject to an off-balance sheet entry at the trade date.

Debt instruments measured at fair value through profit or loss are recorded at the trade date.

EQUITY INSTRUMENTS

Equity instruments are recognised at fair value through profit or loss by default, unless they are irrevocable for classification and measurement at fair value through other comprehensive income that cannot be reclassified to profit or loss, provided that these instruments are not held for trading.

Equity instruments at fair value through profit or loss

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly recognised in profit or loss). Equity instruments held for trading are recorded at the trade date. Equity instruments measured at fair value through profit or loss and not held for trading are recorded at the settlement-delivery date.

They are subsequently measured at fair value and changes in fair value are recognised in profit or loss under Net Banking Income (NBI), with an offsetting entry in outstandings.

This category of financial assets is not subject to impairment.

Equity instrument recognised at fair value through other comprehensive income that cannot be reclassified to profit or loss (by irrevocable option)

The irrevocable option to recognise equity instruments at fair value through other comprehensive income that cannot be reclassified to profit or loss is used at the transactional level (line by line) and applies at the initial recognition date. These securities are recorded at the trade date.

The initial fair value includes transaction costs.

In subsequent measurements, changes in fair value are recognised in other comprehensive income that cannot be reclassified to profit or loss. In the event of disposal, these changes are not reclassified to profit or loss; the gain or loss on disposal is recognised in other comprehensive income.

Only dividends are recognised in profit or loss if:

- the entity's right to receive payment is established;
- it is likely that the economic benefits associated with dividends will flow to the entity;
- the amount of dividends can be reliably measured.

This category of financial assets is not subject to impairment.

RECLASSIFICATION OF FINANCIAL ASSETS

In the event of a significant change in the business model in the management of financial assets (new activity, acquisition of entities, disposal or abandonment of a significant activity), these financial assets must be reclassified. The reclassification applies to all financial assets in the portfolio from the reclassification date.

In other cases, the business model remains unchanged for existing financial assets. If a new business model is identified, it applies prospectively to new financial assets, grouped into a new management portfolio.

TEMPORARY PURCHASES AND SALES OF SECURITIES

Temporary sales of securities (securities lending, securities sold under repurchase agreements) do not generally meet the conditions for derecognition.

Securities lent or repurchased are maintained on the balance sheet. In the case of repurchased securities, the amount received, representing the debt to the transferee, is recorded on the liabilities side of the balance sheet by the transferor.

Securities borrowed or received under reverse repurchase agreements are not recorded on the transferee's balance sheet.

In the case of repurchased securities, a receivable in respect of the transferor is recorded on the transferee's balance sheet against the amount paid. In the event of subsequent resale of the security, the transferee recognises a liability measured at fair value in respect of its obligation to return the security under the repurchase agreement.

Repurchase and reverse repurchase agreements are recognised at fair value through profit or loss when they are part of the trading activity (managed activity whose performance is measured on the basis of fair value), or at amortised cost.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or group of financial assets) is derecognised in whole or in part:

- when the contractual rights to the cash flows linked to it expire;
- or are transferred or treated as such because they belong de facto to one or more beneficiaries; and when substantially all the risks and rewards of the financial asset are transferred.

In this case, all rights and obligations created or retained at the time of the transfer are recognised separately as assets and liabilities.

When the contractual rights to the cash flows are transferred but only a portion of the risks and rewards, as well as control, are retained, Crédit Agricole CIB continues to recognise the financial asset to the extent of its continuing involvement in that asset.

Financial assets renegotiated for commercial reasons in the absence of financial difficulties of the counterparty and for the purpose of developing or maintaining a business relationship are derecognised at the renegotiation date. New loans granted to customers are recorded at fair value at the renegotiation date. Subsequent recognition depends on the business model and the SPPI test.

◆ Financial liabilities

CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

Financial liabilities are classified in the balance sheet in the following two accounting categories:

- financial liabilities at fair value through profit or loss, by type or by option;
- financial liabilities at amortised cost.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS BY TYPE

Financial instruments issued primarily for the purpose of being redeemed in the short term, instruments that are part of a portfolio of identified financial instruments that are managed together and which show evidence of a recent short-term profit-taking profile, and derivatives (with the exception of certain hedging derivatives) are measured at fair value by type.

Changes in the fair value of this portfolio are recognised through profit or loss.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS BY OPTION

Financial liabilities corresponding to one of the three cases defined by the standard below may be designated for measurement at fair value through profit or loss: hybrid issues including one or more separable embedded derivatives, reduction or elimination of accounting mismatches or groups of managed financial liabilities for which performance is measured at fair value.

This option is irrevocable and must be applied at the date of initial recognition of the instrument.

On subsequent measurements, these financial liabilities are measured at fair value through profit or loss for changes in fair value not related to own credit risk and against other comprehensive income that cannot be reclassified to profit or loss for changes in value related to own credit risk unless this aggravates the accounting mismatch (in which case changes in value related to own credit risk are recognised in profit or loss, as required by the standard).

Issues structured by Crédit Agricole CIB are classified as financial liabilities designated at fair value through profit or loss. These liabilities are part of portfolios of assets and liabilities managed at fair value and whose performance is measured on a fair value basis. In accordance with IFRS 13, their fair value measurement includes the change in the Group's own credit risk.

FINANCIAL LIABILITIES EVALUATED AT AMORTISED COST

All other liabilities that meet the definition of a financial liability (excluding derivatives) are measured at amortised cost.

These liabilities are recognised at fair value at initial recognition (including transaction income and costs) and are subsequently recognised at amortised cost using the effective interest rate method.

RECLASSIFICATION OF FINANCIAL LIABILITIES

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is permitted.

DISTINCTION BETWEEN DEBT AND SHAREHOLDERS' EQUITY

The distinction between debt and equity instruments is based on an analysis of the economic substance of the contractual arrangements.

A financial liability is a debt instrument if it includes a contractual obligation to:

- deliver cash, another financial asset or a variable number of equity instruments to another entity; or
- exchange financial assets and liabilities with another entity under potentially unfavourable conditions.

An equity instrument is a non-refundable financial instrument which offers discretionary return representing a residual interest in an undertaking after deduction of all its financial liabilities (net assets) and which is not qualified as a debt instrument.

DERECOGNITION AND MODIFICATION OF FINANCIAL LIABILITIES

A financial liability is derecognised in whole or in part:

- when it is extinguished; or
- where the quantitative or qualitative analyses conclude that it has been substantially modified in the event of a restructuring.

A substantial change in an existing financial liability shall be recorded as an extinguishment of the original financial liability and the recognition of a new financial liability (the novation). Any difference between the carrying amount of the extinguished liability and the new liability will be recognised immediately in the income statement.

If the financial liability is not derecognised, the original effective interest rate is maintained. A discount/premium is recognised immediately in the income statement at the date of modification and then spread out at the initial effective interest rate over the residual life of the instrument.

Negative interest on financial assets and liabilities

In accordance with the January 2015 IFRS IC decision, negative interest income (expenses) on financial assets that do not meet the definition of income within the meaning of IFRS 15 are recognised as interest expenses in the income statement and not as a reduction in interest income. The same applies to negative interest expenses (income) on financial liabilities.

Impairment/provisions for credit risk

SCOPE

In accordance with IFRS 9, Crédit Agricole CIB recognises a value adjustment for expected credit losses (ECLs) on the following outstandings:

- financial assets of debt instruments at amortised cost or at fair value through other comprehensive income that may be reclassified to profit or loss (loans and receivables, debt securities);
- financing commitments that are not measured at fair value through profit or loss;
- guarantee commitments falling under IFRS 9 and not measured at fair value through profit or loss;
- lease receivables subject to IFRS 16; and
- trade receivables generated by transactions under IFRS 15.

Equity instruments (at fair value through profit or loss or at fair value through other comprehensive income that will not be reclassified to profit or loss) are not affected by the impairment provisions.

Derivative instruments and other financial instruments measured at fair value through profit or loss are the subject of a counterparty risk calculation that is not covered by the ECL model. This calculation is described in Chapter 5 “Risks and Pillar 3”.

CREDIT RISK AND IMPAIRMENT/PROVISION STAGES

Credit risk is defined as the risk of losses linked to the default of a counterparty resulting in its inability to meet its commitments vis-à-vis the Group.

The credit risk provisioning process distinguishes between three stages:

- Stage 1: from the initial recognition of the financial instrument (loan, debt security, guarantee, etc.), Crédit Agricole CIB recognises 12-month expected credit losses;
- Stage 2: if credit quality deteriorates significantly for a given transaction or portfolio, Crédit Agricole CIB recognises losses expected at maturity;
- Stage 3: once one or more default events have occurred on the transaction or on the counterparty, having an adverse effect on estimated future cash flows, Crédit Agricole CIB recognises an incurred credit loss at maturity. Subsequently, if the conditions for classifying financial instruments in Stage 3 are no longer met, the financial instruments are reclassified to Stage 2, then Stage 1 depending on the subsequent improvement in the quality of credit risk.

As of the closing date of 31 December 2021, the term “Bucket” used since the transition to IFRS 9 is replaced by the term “Stage” in all financial statements.

N.B.: this is only a change in terminology, with no impact on the recognition of credit losses adjustments (ECL).

Definition of default

The definition of default for ECL provisioning purposes is identical to that used in management and for regulatory ratio calculations. Thus, a debtor is considered to be in default when at least one of the following two conditions is met:

- significant arrears, generally when a payment is more than ninety days past due, unless specific circumstances point to the fact that the delay is due to reasons beyond the debtor’s control;
- Crédit Agricole CIB considers that the debtor is unlikely to settle its credit obligations in full unless it avails itself of certain measures such as the enforcement of collateral.

A loan is deemed to be non-performing (Stage 3) when one or more events have occurred which have a negative effect on the future estimated cash flows of this financial asset. Evidence of impairment of a financial asset includes observable data about the following events:

- significant financial difficulties for the issuer or borrower;
- a breach of an agreement, such as a default or late payment;
- the granting by the lender(s) to the borrower, for economic or contractual reasons related to the borrower’s financial difficulties, of one or more favours that the lender(s) would not have considered in other circumstances;
- an increasing probability of bankruptcy or financial restructuring of the borrower;
- the disappearance of an active market for the financial asset due to financial difficulties;
- the purchase or the creation of a financial asset with a large discount, which reflects the credit losses incurred.

It is not necessarily possible to isolate a particular event as the impairment of the financial asset could result from the combined effect of several events.

The counterparty in default returns to a performing situation only after an observation period that confirms that the borrower is no longer in default (assessment by the Risk Division).

The concept of ECL (Expected Credit Loss)

The ECL is defined as the present value of probability-weighted estimated credit losses (principal and interest). It is the present value of the difference between contractual cash flows and expected cash flows (including principal and interest).

The ECL approach aims to recognise expected credit losses as soon as possible.

GOVERNANCE AND MEASUREMENT OF ECL

The governance of the IFRS 9 measurement system is based on the organisation set up under the Basel framework. The Group Risk Management Department is responsible for defining the methodological framework and for the supervision of the mechanism for provisioning exposures.

The Group relies primarily on the internal rating system and the current Basel processes to generate the IFRS 9 parameters needed to calculate expected credit losses. The assessment of changes in credit risk is based on a model that anticipates losses, and extrapolation on the basis of reasonable scenarios. All available, relevant, reasonable and justifiable information, including forward looking information, must be used.

The calculation formula incorporates probability of default, loss given default and exposure at default parameters.

These calculations are largely based on internal models used for prudential monitoring, where they exist, with adjustments to determine an economic ECL. IFRS 9 recommends an analysis at the reporting date (Point in Time) while taking into account historical loss data and forward-looking macroeconomic data, while the prudential view is analysed through the cycle for the probability of default and in a downturn for loss in the event of default.

The accounting approach also involves recalculating certain Basel parameters, in particular to neutralise internal collection costs or floors imposed by the regulatory authorities for regulatory loss given default (LGD) calculations.

The methods for calculating expected credit losses are to be assessed according to the types of products: financial instruments and off-balance sheet instruments.

The 12-month expected credit loss is a portion of lifetime expected credit losses, representing the lifetime cash flow shortfall occurring from a default within 12 months of the reporting date (or a shorter period if the financial instrument's expected life is shorter than 12 months), weighted by the probability of default within 12 months.

The expected credit loss is discounted using the effective interest rate determined on initial recognition of the financial instrument.

The ECL measurement methods take into account assets pledged as collateral and other credit enhancements that form part of the contractual terms and conditions and which Crédit Agricole CIB does not recognise separately. The estimation of the expected cash flow shortfalls from a guaranteed financial instrument reflects the amount and timing of the recovery of the guarantees. In accordance with IFRS 9, the recognition of guarantees and collateral does not affect the assessment of a significant increase in credit risk: this is based on changes in the debtor's credit risk without taking into account guarantees.

Backtesting of models and parameters used is carried out at least on a yearly basis.

Forward-looking macro-economic data are taken into account in a methodological framework applicable at two levels:

- at the Group level, in determining a shared framework for taking into account forward looking data in the projection of PD and LGD parameters over the transaction amortisation period;
- at the level of each entity with regard to its own portfolios.

SIGNIFICANT DETERIORATION OF THE CREDIT RISK

All Group entities must assess, for each financial instrument, the increase in credit risk since initial recognition at each reporting date. This assessment of changes in credit risk leads the entities to classify their transactions by risk category (Stages).

To determine a significant deterioration, the Group applies a process with two levels of analysis:

- a first level using relative and absolute rules and criteria, applied to Group entities;
- a second level linked to the expert assessment, based on local forward-looking information, of the risk held by each entity in its portfolios that may lead to an adjustment in the Group Stage 2 reclassification criteria (switching a portfolio or sub-portfolio to ECL at maturity).

Significant deterioration is monitored, with few exceptions, for every financial instrument. No contagion is required for a financial instrument from the same counterparty to be transferred from Stage 1 to Stage 2. Monitoring of the significant deterioration in credit risk must cover the primary debtor, without taking into account guarantees, even for transactions guaranteed by the shareholder.

For exposures comprised of small loans with similar characteristics, the review by counterparty may be replaced by a statistical estimate of expected losses.

To measure the significant deterioration in credit risk since initial recognition, it is necessary to retrieve the internal rating and the PD (probability of default) applied on initial recognition.

The date of initial recognition refers to the trading date, when Crédit Agricole CIB becomes a party to the contractual provisions of the financial instrument. For financing and guarantee commitments, the date of initial recognition is the date on which the irrevocable commitment is made.

For the scope not covered by an internal rating model, Crédit Agricole Group uses amounts past due for more than 30 days as the ultimate threshold representing a significant deterioration in credit risk leading to classification in Stage 2.

For exposures (with the exception of securities) for which internal rating systems have been built (particularly those monitored using authorised methods), Crédit Agricole Group considers that all of the information included in the rating systems enables a more relevant assessment than the sole criteria of arrears of over 30 days.

If the significant deterioration in credit risk since initial recognition is no longer observed, the impairment can be reclassified to 12-month expected credit losses (Stage 1).

In order to compensate for the fact that certain factors or indicators of a significant deterioration are not identifiable at the level of a financial instrument considered separately, the standard authorises an assessment of significant deterioration for portfolios, groups of portfolios or portions of portfolios of financial instruments.

The establishment of portfolios for an assessment of collective impairment can be based on common characteristics such as:

- the type of instrument;
- the credit risk rating (including the Basel II internal rating for entities with an internal rating system);
- the type of guarantee;
- the date of initial recognition;
- the term to maturity;
- the sector of activity;
- the geographic location of the borrower;
- The value of the asset allocated as a guarantee in relation to the financial assets, if this has an effect on the probability of default (for example, in the case of loans guaranteed only by real security in certain countries, or the loan-to-value ratio);
- the distribution channel, the purpose of the loan, etc.

The grouping of financial instruments for the purpose of assessing changes in credit risk on a collective basis may change over time as new information becomes available.

For securities, Crédit Agricole CIB uses the approach of applying an absolute level of credit risk, in accordance with IFRS 9, below which the exposures will be classified in Stage 1 and impaired on the basis of a 12-month ECL.

Thus, the following rules will apply to the monitoring of the significant deterioration in securities:

- securities rated "Investment Grade" at the reporting date will be classified in Stage 1 and provisioned on the basis of a 12-month ECL;
- securities rated "Non-Investment Grade" (NIG), at the reporting date, must be monitored for significant deterioration since initial recognition and be classified in Stage 2 (ECL at maturity) in the event of a significant increase in credit risk.

The relative deterioration must be assessed prior to the occurrence of a proven default (Stage 3).

RESTRUCTURING DUE TO FINANCIAL DIFFICULTIES

Debt instruments restructured due to financial difficulties are those for which Crédit Agricole CIB has changed the initial financial terms (interest rate, maturity, etc.) for economic or legal reasons related to the borrower's financial difficulties, in a manner that would not have been considered under other circumstances. As such, they concern all debt instruments, regardless of the classification category of the debt instrument based on the increase in credit risk observed since initial recognition.

In accordance with the definition of the EBA (European Banking Authority) specified in the "Risk Factors" chapter, the restructuring of debts due to financial difficulties of the debtor corresponds to all changes made to one or more credit agreements in this respect, as well as to refinancing granted due to the financial difficulties encountered by the client.

This notion of restructuring must be assessed at the level of the contract and not at the client level (no contagion).

The definition of receivables restructured due to financial difficulties therefore involves two cumulative criteria:

- Contractual modifications or refinancing of receivables (where concessions are granted);
- A client in financial difficulty (a debtor experiencing, or about to experience, difficulties in meeting their financial commitments).

For example, "contract modification" refers to situations in which:

- There is a difference between the contractual modifications and the former terms of the contract, to the benefit of the borrower;
- The amendments to the contract lead to more favourable terms for the borrower in question than could have been obtained from other borrowers of the bank with a similar risk profile at the same time.

"Refinancing" refers to situations in which a new debt is granted to the client in order to enable it to repay all or part of any other debt for which it cannot assume the contractual terms due to its financial situation.

The restructuring of a loan (performing or in default) indicates presumption of a proven risk of loss (Stage 3).

The need to establish impairment on the restructured exposure must therefore be analysed accordingly (a restructuring does not systematically result in the recognition of impairment for incurred loss and classification in default).

The classification as "restructured debt" is temporary.

As soon as the restructuring operation within the meaning of the EBA has been carried out, the exposure maintains this status of "restructured" for a period of at least two years if the exposure was performing at the time of the restructuring, or three years if the exposure was in default at the time of the restructuring. These periods are extended if certain events occur (new incidents, for example).

In the absence of a derecognition linked to this type of event, the reduction of future cash flows granted to a counterparty, or the postponing of these flows as part of a restructuring, results in the recognition of a discount in the cost of risk.

It is equal to the difference between:

- The carrying amount of the receivable;
- And the sum of theoretical future cash flows from the "restructured" loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

In the event of the abandonment of part of the capital, this amount constitutes a loss to be recorded immediately in cost of risk.

The discount recognised when a loan is restructured is recorded under cost of risk.

When the discount is reversed, the portion due to the effect of the passage of time is recorded in "Net Banking Income".

IRRECOVERABILITY

When a loan is deemed irrecoverable, meaning that there is no longer any hope to recover it in whole or in part, the balance sheet should be derecognised and the amount deemed irrecoverable should be written off as a loss.

Decisions as to when to write off a loan are taken on the basis of expert judgement. Each entity determines this with the Risk Department, based on its knowledge of the borrower's activity. Before any write-off, a Stage 3 impairment must have been recorded (with the exception of assets at fair value through profit or loss).

◆ Derivative instruments

CLASSIFICATION AND MEASUREMENT

Derivative instruments are financial assets or liabilities classified by default as derivative instruments held for trading unless they can be qualified as hedging derivatives.

They are recorded on the balance sheet at their initial fair value at the trade date.

They are subsequently measured at fair value.

At each reporting date, the contra entry for changes in the fair value of derivatives on the balance sheet is recorded:

- In profit or loss for derivatives held for trading or fair value hedges;
- In other comprehensive income that may be reclassified to profit or loss, if they are cash flow hedging derivatives or a net investment in a foreign operation, for the effective portion of the hedge.

HEDGE ACCOUNTING

General framework

In accordance with the Group's decision, Crédit Agricole CIB does not apply the "hedging accounting" component of IFRS 9 according to the option provided by the standard. All hedging relationships remain documented in accordance with the rules of IAS 39, at the latest until the date of application of the macro-hedging text when it is adopted by the European Union. However, the eligibility of financial instruments for hedge accounting under IAS 39 takes into account the classification and measurement principles of IFRS 9.

Under IFRS 9, and taking into account the hedging principles of IAS 39, debt instruments at amortised cost and at fair value through other comprehensive income that may be reclassified to profit or loss are eligible for fair value hedges and cash flow hedges.

Documentation

Hedging relationships must comply with the following principles:

- Fair value hedges aim to protect against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment attributable to the hedged risk(s) that may affect profit or loss (for example, hedge of all or part of changes in fair value due to interest rate risk on a fixed-rate debt);
- Cash flow hedges aim to provide protection against exposure to changes in the future cash flows of a recognised asset or liability or a highly probable planned transaction, attributable to the hedged risk(s) and that may or could (in the case of a planned but unrealised transaction) affect profit or loss (for example, hedging of changes in all or part of future interest payments on variable-rate debt);
- The purpose of hedging a net investment in a foreign operation is to protect against the risk of adverse changes in the fair value associated with the foreign exchange risk of an investment made abroad in a currency other than the euro, the presentation currency of Crédit Agricole CIB.

For hedging purposes, the following conditions must also be met in order to benefit from hedge accounting:

- The hedging instrument and the hedged item must be eligible;
- There must be formal documentation from the outset, including in particular the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- The effectiveness of the hedge must be demonstrated, from the outset and retrospectively, by testing at each reporting date.

For interest rate risk hedges on a portfolio of financial assets or financial liabilities, the Crédit Agricole Group favours fair value hedging documentation as permitted by IAS 39, adopted by the European Union (the so-called “carve out” version). In particular:

- The Group documents these hedging relationships on the basis of a gross position in derivatives and hedged items;
- The effectiveness of the hedging relationships is measured by maturity schedules.

Details on the Group’s risk management strategy and its application are provided in Chapter 5 “Risks and Pillar 3”.

Assessment

The revaluation of the derivative at fair value is recognised as follows:

- fair value hedges: the revaluation of the derivative and the revaluation of the hedged item in the amount of the hedged risk are recorded symmetrically in profit or loss. Only the ineffective portion of the hedge is recognised in net profit or loss;
- cash flow hedges: the revaluation of the derivative is recognised on the balance sheet with a contra entry in a specific account for gains and losses recognised directly in other comprehensive income that may be reclassified to profit or loss for the effective portion, and the ineffective portion of the hedge is recognised in profit or loss where applicable. Gains or losses on the derivative accumulated in other comprehensive income are subsequently reclassified to profit or loss at the time the hedged cash flows are realised;
- hedge of a net investment in a foreign operation: the revaluation of the derivative is recorded on the balance sheet with an offsetting entry in other comprehensive income that will be reclassified to profit or loss and the ineffective portion of the hedge is recognised in profit or loss.

When the conditions for hedge accounting are no longer met, the following accounting treatment must be applied prospectively, except in the event of the disappearance of the hedged item:

- fair value hedges: only the derivative continues to be remeasured through profit or loss. The hedged item is fully recognised in accordance with its classification. For debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss, changes in fair value after the end of the hedging relationship are recorded in other comprehensive income in full. For hedged items measured at amortised cost, which were hedged against interest rate risk, the revaluation difference is amortised over the remaining life of these hedged items;
- cash flow hedges: the hedging instrument is measured at fair value through profit or loss. The amounts accumulated in other comprehensive income under the effective portion of the hedge remain in other comprehensive income until the hedged flows of the hedged item affect profit or loss. For items that were hedged against interest rates, income is allocated as interest is paid. The revaluation difference is amortised in practice over the remaining life of these hedged items;
- net investment hedge of a foreign operation: The amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income while the net investment is held. The income is recognised when the net investment in a foreign operation exits the scope of consolidation.

EMBEDDED DERIVATIVES

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. This designation applies only to financial liabilities and non-financial contracts. The embedded derivative must be accounted for separately from the host contract if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- separate from the host contract, the embedded item has the characteristics of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

◆ Determination of the fair value of financial instruments

The fair value of financial instruments is determined by maximising the use of observable inputs. It is presented according to the hierarchy defined in IFRS 13.

IFRS 13 defines fair value as the price that would be received for the sale of an asset or paid for the transfer of a liability in an ordinary transaction between market participants on the principal or the most advantageous market, at the valuation date.

Fair value applies to each individual financial asset or financial liability. As an exception, it may be estimated by portfolio if the risk management and monitoring strategy so allow and are subject to appropriate documentation. Thus, certain fair value inputs are calculated on a net basis when a group of financial assets and financial liabilities is managed on the basis of its net exposure to market or credit risks.

Crédit Agricole CIB considers that the best indication of fair value is the reference to quoted prices in an active market.

In the absence of such quotations, fair value is determined using valuation techniques that maximise the use of relevant observable data and minimise the use of unobservable inputs.

When a debt is measured at fair value through profit or loss (by type or using the option), the fair value takes into account the issuer’s own credit risk.

FAIR VALUE OF STRUCTURED ISSUES

In accordance with IFRS 13, Crédit Agricole CIB values its structured issues measured at fair value by taking as a reference the issuer spread that specialised parties agree to receive in order to acquire new issues from the Group.

COUNTERPARTY RISK ON DERIVATIVE INSTRUMENTS

Crédit Agricole CIB incorporates into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (Debit Valuation Adjustment or DVA or own credit risk).

The CVA is used to determine the expected losses on the counterparty from the perspective of the Crédit Agricole Group, and the DVA, the expected losses on the Crédit Agricole Group from the perspective of the counterparty.

The CVA/DVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs. It is primarily based on market data such as registered and listed Credit Default Swaps (CDS), Single Name CDS, or index CDS in the absence of registered CDS on the counterparty. In certain circumstances, historical default data may also be used.

COSTS AND BENEFITS RELATED TO DERIVATIVES FINANCING

The value of non-collateralised or partially collateralised derivative instruments incorporates a Funding Value Adjustment (FVA) that represents costs and benefits related to the financing of these instruments. This adjustment is measured based on positive or negative future exposure of transactions for which a cost of financing is applied.

FAIR VALUE HIERARCHY

IFRS 13 classifies fair values into three levels based on the observability of inputs used in the valuation.

Level 1: fair values corresponding to prices (non-adjusted) in active markets

Level 1 presents financial instruments directly quoted on active markets for identical assets and liabilities to which Crédit Agricole CIB may have access at the valuation date. These include equities and bonds listed on an active market (such as the Paris Stock Exchange, the London Stock Exchange, the New York Stock Exchange, etc.), units of investment funds listed on an active market and derivatives contracted on an organised market, including futures.

A market is regarded as being active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and these prices represent actual transactions regularly occurring in the market on an arm's length basis.

For financial assets and liabilities with offsetting market risks, Crédit Agricole CIB uses mid-prices as a basis for establishing fair values for the offsetting risk positions. For net short positions, the market values used are those at current asking price and for net long positions, current bid prices.

Level 2: fair values measured using directly or indirectly observable data, other than Level 1 inputs

These data are directly observable (prices) or indirectly observable (price derivative data) and generally meet the following criteria: these data are not specific to Crédit Agricole CIB, are available/accessible to the public and are based on a market consensus.

The following are presented in level 2:

- equities and bonds listed on an inactive market, or not quoted on an active market, but for which fair value is determined using a valuation method commonly used by market participants (such as discounted cash flow methods, the Black & Scholes model) and based on observable market data;
- over-the-counter instruments for which valuation is carried out using models based on observable market data, i.e., that can be obtained from several sources independent of internal sources and on a regular basis. For example, the fair value of interest rate swaps is generally determined using yield curves based on market interest rates observed at the reporting date.

When the models used are based in particular on standard models and on observable market inputs (such as yield curves or implicit volatility tables), the initial margin generated on the instruments thus valued is recognised in profit or less at inception.

Level 3: fair value that is measured using a significant portion of unobservable inputs

For some complex instruments that are not traded in an active market, fair value measurement is based on valuation techniques using assumptions that cannot be observed on the market for an identical instrument. These products are presented in Level 3.

This mainly concerns complex fixed income products, equity derivatives and structured credit products whose valuation requires, for example, correlation or volatility inputs not directly comparable to market data.

The initial transaction price is deemed to reflect the market value and recognition of the initial margin is deferred.

The margin generated on these structured financial instruments is generally recognised in profit or loss over the period during which the inputs are deemed unobservable. When market data become "observable," the remaining margin to be deferred is immediately recognised in profit or loss.

The methodologies and models for valuing financial instruments presented in Level 2 and Level 3 incorporate all the factors that market participants use to calculate a price. They must first be validated by an independent control. The calculation of the fair values of these instruments takes into account liquidity risk and counterparty risk.

◆ Offsetting of financial assets and liabilities

In accordance with IAS 32, Crédit Agricole CIB nets a financial asset and liability and presents a net balance if and only if it has a legally enforceable right to offset the recognised amounts and intends to settle the net amount or to realise the asset and the liability simultaneously.

Derivatives and repurchase agreements with clearing houses whose operating principles meet the two criteria required by IAS 32 are offset on the balance sheet.

This offsetting effect is presented in the table in Note 6.9 relating to the amendment to IFRS 7 on disclosures in respect of offsetting financial assets and financial liabilities.

Net gains (losses) on other assets

NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

For financial instruments measured at fair value through profit or loss, this item includes the following items of income:

- dividends and other income from shares and other variable-income securities classified as financial assets at fair value through profit or loss;
- changes in the fair value of financial assets or liabilities at fair value through profit or loss;
- realised gains and losses on disposals of financial assets at fair value through profit or loss;
- changes in fair value and gains or losses on the disposal or termination of derivative instruments that are not part of a fair value or cash flow hedge.

This item also includes ineffectiveness resulting from hedging transactions.

NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

For financial assets measured at fair value through other comprehensive income, this item includes the following items of income:

- Dividends from equity instruments classified as financial assets at fair value through other comprehensive income that cannot be reclassified to profit or loss;
- Gains and losses on disposal as well as income from the termination of the hedging relationship on debt instruments classified as financial assets at fair value through other comprehensive income that may be reclassified to profit or loss;
- Gains or losses on the disposal or termination of fair value hedging instruments of financial assets at fair value through other comprehensive income when the hedged item is sold.

Financing commitments and financial guarantees given

Financing commitments that are not designated as assets at fair value through profit or loss or that are not treated as derivative instruments within the meaning of IFRS 9 are not included in the balance sheet. However, they are subject to provisions in accordance with IFRS 9.

A financial guarantee arrangement is a contract that requires the issuer to make specific payments to reimburse its holder for a loss suffered by the issuer due to the default of a specified debtor who fails to make a payment on maturity under the initial or amended terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently at the higher of:

- the amount of the value adjustment for losses determined in accordance with the provisions of IFRS 9, the “Impairment” chapter; or
- the amount initially recognised less, where applicable, the accumulated income recognised in accordance with IFRS 15 “Revenue from contracts with customers”.

1.2.3 PROVISIONS (IAS 37 AND 19)

Crédit Agricole CIB identifies the obligations (legal or implied) resulting from a past event for which it is probable that an outflow of resources will be required to settle them, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. Where applicable, these estimates are updated when the impact is significant.

In respect of obligations other than those related to credit risk, Crédit Agricole CIB has set aside provisions covering in particular:

- operational risks;
- employee benefits;
- execution risks of off-balance sheet commitments;
- disputes and liability guarantees;
- provisions for tax risks (excluding uncertainties on income tax);

The valuation of the following provisions may also be estimated:

- the provision for operational risks whose assessment, although subject to an examination of identified risks, incorporates Management’s judgement with regard to incident frequency and the amount of the potential financial impact
- provisions for legal risks resulting from Management’s best assessment, taking into account the information in its possession at the balance sheet date.

Detailed information is provided in Note 6.15 “Provisions”.

1.2.4 EMPLOYEE BENEFITS (IAS 19)

In accordance with IAS 19, employee benefits are grouped into four categories:

- short-term benefits, such as salaries, social security contributions, annual leave, profit-sharing and bonuses, are those that are expected to be paid within twelve months of the year in which the services were rendered;
- post-employment benefits, which themselves fall into two categories described below: defined-benefit plans and defined-contribution plans;
- other long-term benefits (work awards, bonuses and compensation payable twelve months or more at the end of the fiscal year);
- termination benefits.

POST-EMPLOYMENT BENEFITS

Defined benefit plans

At each closing date, Crédit Agricole CIB determines its pension obligations and similar benefits as well as all employee benefits under the defined-benefit plan category.

In accordance with IAS 19, these obligations are measured on the basis of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. This method consists in booking a charge for each period of service, for an amount corresponding to employee’s vested benefits for the period. This charge is calculated based on the discounted future benefit.

The calculations relating to pension and future employee benefits are based on assumptions made by Management with regard to discount rates, employee turnover rates or changes in salaries and social security charges. (see Note 7.4 “Post-employment benefits, defined-benefit plans”).

The discount rates are determined according to the average duration of the commitment, that is, the arithmetic average of the durations calculated between the valuation date and the payment date weighted by the turnover assumptions. The underlying used is the discount rate by reference to the iBoxx AA index.

In accordance with IAS 19, Crédit Agricole CIB charges all actuarial gains and losses recognised in other comprehensive income that cannot be reclassified to profit or loss. Actuarial gains and losses consist of experience adjustments (difference between what was estimated and what happened) and the effect of changes in actuarial assumptions.

The expected return on plan assets is determined on the basis of the discount rates used to measure the defined benefit obligation. The difference between the expected return and the actual return on plan assets is recognised in gains and losses recognised directly in other comprehensive income that cannot be reclassified to profit or loss.

The amount of the provision is equal to:

- the present value of the defined benefit obligation at the reporting date, calculated using the actuarial method recommended by IAS 19;
- less, where applicable, the fair value of the assets allocated to cover these commitments. These may be represented by an eligible insurance policy. In the event that the obligation is fully covered by a policy corresponding exactly, by its amount and period, to all or part of the benefits payable under the plan, the fair value of the obligation is considered to be that of the corresponding obligation (the amount of the corresponding actuarial liability).

Defined-contribution plans

There are various mandatory pension plans to which employers contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to provide all the benefits corresponding to the services rendered by staff during the current and previous years. As a result, Crédit Agricole CIB has no liability in this respect other than the contributions payable for the past financial year.

OTHER LONG-TERM EMPLOYEE BENEFITS

Other long-term employee benefits are benefits payable to employees, other than post-employment benefits and termination benefits, but not fully due within twelve months of the end of the fiscal year in which the related services were rendered.

This includes bonuses and other deferred compensation paid twelve months or more after the end of the financial year in which they were earned, but which are not share-based.

The measurement method is similar to that used by the Group for post-employment benefits falling within the defined benefit category.

1.2.5 SHARE-BASED PAYMENTS (IFRS 2)

IFRS 2 on share-based and similar payments requires the measurement of transactions remunerated through share-based payments and similar payments in the company's results and balance sheet. This standard applies to transactions with employees and more specifically:

- share-based payment transactions that are settled in equity instruments;
- share-based payment transactions that are settled in cash.

In Crédit Agricole CIB's accounts, Crédit Agricole S.A. share-based payment plans recognised in accordance with IFRS 2 are only cash settled transactions.

Options granted are measured at fair value on grant using the Black & Scholes model. These are recognised as an expense under Personnel expenses, with an offsetting entry in an equity account over the vesting period.

Subscriptions for shares offered to employees under the Company Savings Scheme are also subject to the provisions of IFRS 2. The shares are offered at a maximum discount of 30%. These plans do not include a vesting period but are subject to a five-year lock-up period. The benefit granted to employees is measured as the difference between the fair value of the share acquired, taking into account the non-transferability condition and the acquisition price paid by the employee at the subscription date multiplied by the number of shares subscribed.

A description of the method of the plans allocated and the valuation methods is detailed in Note 7.6 "Share-based payments".

1.2.6 CURRENT AND DEFERRED TAXES (IAS 12)

Crédit Agricole CIB is 99.9% owned by Crédit Agricole Group since 27 December 1996, and some of its subsidiaries belong to Crédit Agricole S.A.'s tax consolidation group.

In accordance with IAS 12, income tax includes all income tax, whether due or deferred.

This defines current tax as "the amount of income tax payable (recoverable) in respect of taxable profit (tax loss) for a financial year". Taxable profit is the profit (or loss) of a financial year determined in accordance with the rules established by the tax authorities.

The rates and rules applicable to determining the current tax expense are those in force in each country in which the Group's companies are located.

The tax payable relates to any income tax due or receivable and the payment of which is not contingent on the completion of future transactions, even if the payment is spread over several financial years.

Tax due, as long as it is not paid, must be recognised as a liability. If the amount already paid in respect of the financial year and previous years exceeds the amount due for those years, the excess shall be recognised as an asset.

In addition, certain transactions carried out by Crédit Agricole CIB may have tax consequences not taken into account in determining the tax payable. Differences between the carrying amount of an asset or liability and its tax base are classified under IAS 12 as temporary differences.

The standard requires the recognition of deferred tax in the following cases:

- a deferred tax liability must be recognised for all taxable temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, unless the deferred tax liability arises from:
  - the initial recognition of goodwill;
  - the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect either the accounting profit or taxable profit (tax loss) at the date of the transaction.

- a deferred tax asset must be recognised for all deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is considered probable that a taxable profit, against which these deductible temporary differences can be allocated, will be available.
- a deferred tax asset must also be recognised for the carry-forward of unused tax losses and tax credits insofar as it is probable that future taxable profits will be available against which these unused tax losses and tax credits may be allocated.

The tax rates applicable in each country are used as appropriate.

The calculation of deferred taxes is not discounted.

Unrealised taxable capital gains on securities do not generate any taxable temporary differences between the book value of the asset and the tax base. They therefore do not give rise to the recognition of deferred taxes. When the securities in question are classified as financial assets at fair value through other comprehensive income, unrealised gains and losses are recognised in other comprehensive income. Therefore, the tax expense or real tax savings borne by Crédit Agricole CIB in respect of these unrealised capital gains or losses is reclassified as a deduction from these gains.

In France, capital gains on equity investments, as defined by the French General Tax Code, and subject to the long-term tax regime, are exempt from corporate tax (with the exception of a 12% share of the capital gain, taxed at the normally applicable rate). Therefore, unrealised capital gains recognised at the end of the financial year generate a temporary difference resulting in the recognition of deferred tax in the amount of this share.

Under IFRS 16 leases, a deferred tax liability is recognised on the right-of-use and a deferred tax asset on the lease liability for leases for which the Group is the lessee.

Current and deferred tax is recognised in net income for the year, except to the extent that the tax is generated:

- by a transaction or event that is recognised directly in equity, in the same financial year or in a different financial year, in which case it is directly debited or credited to equity;
- or by a business combination.

Deferred tax assets and liabilities are offset if, and only if:

- Crédit Agricole CIB has a legally enforceable right to offset current tax assets and liabilities; and
- deferred tax assets and liabilities relate to income tax levied by the same tax authority:
  (a) on the same taxable entity, or
  (b) on different taxable entities that intend to settle the tax liabilities and assets due on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Tax uncertainties relating to the measurement of the amount of income tax give rise to the recognition of a current tax receivable or liability when the probability of receiving the asset or paying the liability is considered more likely than unlikely.

Uncertainty risks in the assessment of taxes are also taken into account in the valuation of current and deferred tax assets and liabilities.

IFRIC 23 on the measurement of uncertain tax positions applies when an entity has identified one or more uncertainties about the tax positions they have adopted. It also provides details on their estimates:

- the analysis must be based on 100% detection of the tax authorities;
- the tax risk must be recognised as a liability as soon as it is more likely than unlikely that the tax authorities will call into question the treatment adopted, for an amount reflecting the Management's best estimate;
- in the event of a probability of more than 50% reimbursement by the tax authorities, a receivable must be recognised.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge is kept under the heading "Income tax charge" in the income statement.

1.2.7 TREATMENT OF FIXED ASSETS (IAS 16, 36, 38 AND 40)

The Crédit Agricole CIB Group applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable base takes into account the potential remaining value of property, plant and equipment.

Land is recorded at acquisition cost less any impairment.

Property used in operations, investment property and equipment are measured at their acquisition cost less depreciation and impairment losses recorded since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation, amortisation and any impairment losses noted since their purchase date.

Proprietary software is measured at cost less accumulated depreciation, amortisation and impairment losses noted since their completion date.

In addition to software, intangible assets mainly include assets acquired in business combinations resulting from contractual rights (distributing agreements, for example). These were assessed on the basis of the corresponding future economic benefits or the potential of the services expected.

Fixed assets are impaired over their estimated useful lives.

The following components and depreciation periods have been adopted by the Crédit Agricole Group following the application of component accounting for fixed assets. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years
Special equipment	4 to 5 years

1.2.8 FOREIGN CURRENCY TRANSACTIONS (IAS 21)

At the reporting date, foreign-currency denominated monetary assets and liabilities are translated into euros, Crédit Agricole Group's functional currency.

Pursuant to IAS 21, a distinction is made between monetary items (such as debt instruments) and non-monetary items (such as equity instruments).

Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. The exchange differences resulting from this translation are recognised in profit or loss. There are three exceptions to this rule:

- on debt instruments at fair value through other comprehensive income that can be reclassified, the portion of the exchange difference calculated on amortised cost is recognised in profit or loss; the additional portion is recognised in other comprehensive income that can be reclassified;
- for items designated as cash flow hedges or as part of a net investment in a foreign entity, exchange differences are recognised in other comprehensive income that may be reclassified to profit or loss for the effective portion;
- for financial liabilities designated at fair value through profit or loss, exchange differences related to changes in the fair value of own credit risk are recorded in other comprehensive income that cannot be reclassified.

The treatment of non-monetary items differs according to the accounting treatment of these items before translation:

- historical cost items remain valued at the exchange rate on the day of the transaction (historical price);
- fair value items are translated at the exchange rate at the closing date.

Exchange differences on non-monetary items are recognised:

- in profit or loss if the gain or loss on the non-monetary item is recognised in profit or loss;
- in other comprehensive income that cannot be reclassified to profit or loss if the gain or loss on the non-monetary item is recorded in other comprehensive income that cannot be reclassified.

1.2.9 REVENUES FROM CONTRACT WITH CUSTOMERS (IFRS 15)

Fee and commission income and expenses are recognised in profit or loss according to the nature of the services to which they relate.

Fees and commissions that form an integral part of the return on a financial instrument are recognised as an adjustment to the remuneration of this instrument and included in its effective interest rate (in accordance with IFRS 9).

For other types of fees and commissions, their recognition in the income statement must reflect the rate of transfer of control of the goods or services sold to the customer:

- the profit or loss on a transaction associated with the provision of services is recognised under Fees, when control of the provision of services is transferred to the client if it can be reliably estimated. This transfer may take place as the service is rendered (continuous service) or on a given date (one-off service).
  a) Fees and commissions for ongoing services (for example, on payment instruments) are recognised in profit or loss according to the level of progress of the service rendered.
  b) Fees and commissions received or paid as remuneration for one-off services are recognised in full in profit or loss when the service is rendered.

Fees and commissions payable or receivable subject to the achievement of a performance objective are recognised in the amount for which it is highly probable that the income thus recognised will not later be subject to a significant downward adjustment upon resolution of the contingency. This estimate is updated at each closing date. In practice, this condition results in the deferred recognition of certain performance-related fees and commissions until the expiry of the performance evaluation period and until such fees and commissions have been definitively acquired.

1.2.10 LEASES (IFRS 16)

The Group may be the lessor or lessee of a lease.

Leases for which the Group is the lessor

Lease transactions are analysed according to their substance and financial reality. They are recognised, depending on the case, either under finance leases or operating leases.

- In the case of finance leases, they are considered equivalent to a sale of fixed assets to the lessee financed by a loan granted by the lessor. The analysis of the economic substance of finance leases leads the lessor to:
  a) Remove the leased asset from the balance sheet;
  b) Recognise a financial receivable from the customer as "financial assets at amortised cost" for a value equal to the present value of lease payments receivable by the lessor under the lease, plus any non-guaranteed residual value accruing to the lessor;
  c) Recognise deferred taxes on temporary differences on the financial receivable and the net book value of the leased asset;
  d) Break down the income corresponding to the rents between interest and capital depreciation.
- In the case of operating leases, the lessor recognises leased assets as "tangible assets" on the asset side of its balance sheet and records lease income on a straight-line basis under "income from other activities" in the income statement.

Leases for which the Group is the lessee

Lease transactions are recognised in the balance sheet at the date the leased asset is made available. The lessee recognises an asset representing the right-of-use of the leased asset to property, plant and equipment for the estimated term of the contract and a liability for the obligation to pay rents as one of the other liabilities over the same term.

The lease term of a contract corresponds to the non-cancellable term of the rental contract, adjusted for the option to extend the lease, which the lessee is reasonably certain to exercise and the option of termination that the lessee is reasonably certain not to exercise.

In France, the term used for "3/6/9" commercial leases is generally nine years with an initial non-cancellable period of three years. When the lessee believes that it is reasonably certain not to exercise the exit option after three years, the Group principle applicable to contracts with an indefinite term or renewed by tacit renewal (i.e. first exit option after five years) will be applied to French commercial leases in most cases, at the start date of the lease. Thus, the term will be estimated at six years. The Group principle (first exit option after five years) may not be applied in certain specific cases, for example for a lease in which the interim exit options have been abandoned (for example, in exchange for a reduction in rent); in this case, an initial lease term of nine years should be used (unless a tacit extension is expected for a maximum of three years in the general case).

The lease liability is recognised at an amount equal to the present value of the lease payments over the term of the contract. Lease payments include fixed rents, variable rents based on a rate or index, and payments that the lessee expects to pay in respect of guarantees of residual value, purchase option or early termination penalty. Variable rents that do not depend on an index or a rate and VAT not deductible from rents are excluded from the calculation of the debt and are recognised as operating expenses.

The discount rate applicable to the calculation of right-of-use and lease liabilities is by default the lessee's marginal debt ratio over the term of the lease at the date of signature of the contract, where the implicit rate cannot be easily determined. The marginal debt ratio takes into account the rent payment structure. It reflects the conditions of the lease (term, guarantee, economic environment, etc.) - the Group has applied the IFRS IC decision of 17 September 2019 since the implementation of IFRS 16.

The expense in respect of leases is broken down into interest on the one hand and the capital depreciation on the other.

The right-of-use asset is valued at the initial value of the lease liability plus initial direct costs, advance payments, restoration costs and less lease incentives. It is amortised over the estimated term of the contract.

The lease liability and the right-of-use liability may be adjusted in the event of a change in the lease contract, re-estimation of the lease term or revision of rents linked to the application of indices or rates.

Deferred taxes are recognised in respect of temporary differences in the lessee's right-of-use and lease liabilities.

In accordance with the exception provided for in the standard, short-term leases (initial term of less than twelve months) and leases whose replacement value of the leased asset is low are not recognised on the balance sheet. The corresponding lease expenses are recorded on a straight-line basis in the income statement under operating expenses.

In accordance with the provisions of the standard, the Group does not apply IFRS 16 to leases for intangible assets.

1.2.11 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or a disposal group) is considered to be held for sale if its carrying amount is recovered primarily through a sale rather than through continuous use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its current condition and its sale must be highly probable.

The assets and liabilities concerned are isolated on the balance sheet under "Non-current assets held for sale and discontinued operations" and "Liabilities related to non-current assets held for sale and discontinued operations".

These non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. In the event of an unrealised capital loss, an impairment loss is recorded in profit or loss. Moreover, they cease to be amortised as of their downgrading.

If the fair value of the group of assets held for sale less costs to sell is less than its carrying amount after impairment of non-current assets, the difference is allocated to other assets in the group of assets held for sale, including financial assets, and is recognised in profit or loss net of tax on assets held for sale.

A discontinued operation is any component that the Group has disposed of, or that is classified as held for sale, and which is in one of the following situations:

- it represents a separate main business line or geographic area;
- it is part of a single and coordinated plan to dispose of a separate main business line or geographic area; or
- it is a subsidiary acquired exclusively for resale.

The following items are presented on a separate line of the income statement:

- the net income after tax of discontinued operations up to the date of disposal;
- the post-tax gain or loss arising from the disposal or measurement at fair value less costs of selling the assets and liabilities comprising the discontinued operations.

1.3 Consolidation principles and methods (IFRS 10, IFRS 11 and IAS 28)

1.3.1 SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of Crédit Agricole CIB and those of all companies over which, in accordance with the provisions of IFRS 10, IFRS 11 and IAS 28, Crédit Agricole CIB has control, joint control or significant influence, except for those that are not material in relation to all companies included in the consolidation scope.

DEFINITIONS OF CONTROL

In accordance with international accounting standards, all entities controlled, under joint control or under significant influence are consolidated, provided that they do not fall within the scope of the exclusions mentioned below.

Exclusive control over an entity is presumed to exist when Crédit Agricole CIB is exposed or entitled to variable returns resulting from its involvement in the entity and if its power over the entity allows it to influence those returns. Power in this context means only substantive (voting or contractual) rights. Rights are considered substantive if the holder of the rights can in practice exercise them when decisions about the entity's relevant activities are made.

Control of a subsidiary governed by voting rights is established when the voting rights held give Crédit Agricole CIB the practicable ability to direct the relevant activities of the subsidiary. Crédit Agricole CIB generally controls the subsidiary when it holds, directly or indirectly through subsidiaries, more than half of the existing or potential voting rights of an entity, unless it can be clearly demonstrated that such holding does not allow it to direct relevant activities. Control also exists where Crédit Agricole CIB owns half or less than half of an entity's voting rights, including potential voting rights, but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the size of its stake in the voting rights compared to those of other investor, or due to other facts and circumstances.

Control of a structured entity is not assessed on the basis of the percentage of voting rights as these have, by nature, no effect on the entity's returns. The control analysis takes into account contractual agreements, but also the involvement and decisions of Crédit Agricole CIB when establishing the entity, the agreements entered into at that time and the risks incurred by Crédit Agricole CIB, the rights resulting from agreements that give the investor the power to direct relevant activities only when particular circumstances occur, and other facts or circumstances which indicate that the investor can direct the entity's relevant activities. Where there is a management mandate, the extent of the decision-making power relating to the delegation of power to the manager and the remuneration accorded by such contractual agreements shall be analysed in order to determine whether the manager acts as agent (delegated power) or principal (on its own behalf).

Thus, at the time when decisions on the entity's relevant activities are to be made, the indicators to be analysed in order to determine whether an entity acts as an agent or as principal are the extent of the decision-making power relating to the delegation of power to the manager over the entity and the remuneration accorded by such contractual agreements, as well as the substantive rights that may affect the capacity of the decision-maker held by the other parties involved in the entity and exposure to variability in returns from other interests held in the entity.

Joint control is exercised when there is contractual sharing of control over an economic activity. Decisions affecting the entity's relevant activities require the unanimous approval of the parties sharing control.

In traditional entities, significant influence arises from the power to participate in a company's financial and operational policies without having control of it. Crédit Agricole CIB is presumed to have significant influence when it holds, directly or indirectly through subsidiaries, 20% or more of the voting rights in an entity.

1.3.2 CONSOLIDATION METHODS

The consolidation methods are set by IFRS 10 and IAS 28 respectively. They depend on the type of control exercised by Crédit Agricole CIB over the entities that can be consolidated, regardless of activity or whether or not they have legal entity status:

- full consolidation, for controlled entities, including entities with different account structures, even if their activity is not in line with that of Crédit Agricole CIB;
- the equity method, for entities under significant influence and under joint control.

Full consolidation consists in replacing each of the assets and liabilities of each subsidiary with the value of the shares. The share of non-controlling interests in equity and income is shown separately in the consolidated balance sheet and income statement.

Non-controlling interests are as defined by IFRS 10 and include instruments that are current interests and entitle them to a share of net assets in the event of liquidation and other equity instruments issued by the subsidiary and not held by the Group.

The equity method consists in replacing the Group's share in the shareholders' equity and income of the companies concerned with the value of the shares.

The change in the carrying amount of these shares takes into account changes in goodwill.

During additional acquisitions or partial disposals with the maintenance of joint control or significant influence, Crédit Agricole CIB notes:

- in the event of an increase in the percentage of interest, additional goodwill;
- in the event of a decrease in the percentage of interest, a capital gain or loss on disposal/dilution in profit or loss.

1.3.3 ADJUSTMENTS AND ELIMINATIONS

Crédit Agricole CIB makes the necessary adjustments to harmonise the valuation methods of consolidated companies.

The effect on the consolidated balance sheet and income statement of internal Group operations is eliminated for fully consolidated entities.

Capital gains or losses on disposals of assets between consolidated companies are eliminated; any impairment measured on an internal disposal is recognised.

1.3.4 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS (IAS 21)

The financial statements of entities representing a "foreign business" (subsidiary, branch, associate or joint venture) are translated into euros into two steps:

- if applicable, the local currency in which the financial statements are prepared is converted into the functional currency (that of the main economic environment of the entity). The conversion is carried out as if the information had been recognised initially in the functional currency (same conversion principles as for foreign currency transactions above);
- translation of the functional currency into euros, the presentation currency of the Group's consolidated financial statements. Assets and liabilities, including goodwill, are translated at the closing rate. Equity items, such as share capital or reserves, are translated at their historical exchange rate. Income and expenses on the income statement are translated at the average exchange rate for the period. Foreign exchange differences arising from this conversion are recognised as a separate component of shareholders' equity. These translation differences are recognised in profit or loss in the event of the disposal of the foreign operation (disposal, repayment of capital, liquidation, abandonment of operations) or in the event of deconsolidation due to a loss of control (even without disposal) when the result of the disposal or loss of control is recognised.

1.3.5 BUSINESS COMBINATIONS - GOODWILL

MEASUREMENT AND RECOGNITION OF GOODWILL

Business combinations are accounted for using the acquisition method, in accordance with IFRS 3, with the exception of business combinations under joint control, which are excluded from the scope of IFRS 3. In the absence of an IFRS standard or an interpretation specifically applicable to a transaction, IAS 8 on Accounting Policies, Changes in Accounting Estimates and Errors leaves the possibility of referring to the official positions of other standardisation bodies. Accordingly, the Group has chosen to apply US standard ASU 805-50, which appears to comply with the general IFRS principles, for the treatment of business combinations under joint control at carrying values using the method of pooling interest.

At the acquisition date, the identifiable assets, liabilities and contingent liabilities of the acquired entity that meet the accounting criteria of IFRS 3 are recognised at fair value.

In particular, a restructuring liability is only recognised as a liability of the acquired entity if, at the acquisition date, it is obliged to carry out the restructuring.

Price adjustment clauses are recognised at fair value even if they are unlikely to be realised. Subsequent changes in the fair value of clauses that are financial liabilities are recognised in profit or loss. Only the price adjustment clauses relating to transactions for which the acquisition of control took place no later than 31 December 2009 may still be recorded against goodwill, because these transactions were recognised in accordance with IFRS 3 pre-revision (2004).

The non-controlling interests that are shares of current interests and entitle holders to a share of the net assets in the event of liquidation may, at the acquirer's option, be valued in two ways:

- at fair value at the acquisition date;
- at the share in identifiable assets and liabilities of the acquired entity remeasured at fair value.

This option may be exercised by acquisition.

The balance of non-controlling interests (equity instruments issued by the subsidiary and not held by the Group) must be recognised at its fair value at the acquisition date.

The initial valuation of assets, liabilities and contingent liabilities may be modified within a maximum of twelve months from the date of acquisition.

Certain transactions relating to the acquired entity are recognised separately from the business combination. This applies primarily to:

- transactions that put an end to a pre-existing relationship between the acquired and the acquiring companies;
- transactions that compensate employees or selling shareholders of the acquired company for future services;
- transactions aimed at reimbursing the acquiree or its former shareholders for costs related to the acquisition they have assumed on behalf of the acquirer.

These separate transactions are generally recognised in profit or loss at the acquisition date.

The consideration transferred in connection with a business combination (the acquisition cost) is measured as the total of the fair values transferred by the acquirer at the date of acquisition in exchange for control of the acquired entity (for example, cash, equity instruments, etc.).

Costs directly attributable to the relevant business combination are recognised as expenses, separately from the combination. Where the acquisition is highly probable, they are recorded under "Net gains or losses on other assets," otherwise they are recorded under "Operating expenses".

The difference between the sum of acquisition costs and non-controlling interests and the net balance, at the date of acquisition, of the identifiable assets and the liabilities assumed, measured at fair value, is recorded, when it is positive, on the assets side of the consolidated balance sheet, under "Goodwill" when the acquired entity is fully consolidated, and under "Investments in associates" when the acquired company is accounted for using the equity method. When this difference is negative, it is immediately recognised in profit or loss.

Goodwill is recorded in the balance sheet at its initial cost denominated in the currency of the acquired entity and translated at the exchange rate at the balance sheet date.

In the event of a step-by-step acquisition of control, the participation held before the acquisition of control is remeasured at fair value through profit or loss at the date of acquisition and goodwill is calculated at once, based on the fair value at the acquisition date of the assets acquired and the liabilities assumed.

In the event of a loss of control, the gain or loss on disposal is calculated for the entire entity sold and any investment share retained is recognised on the balance sheet at its fair value at the date of loss of control.

IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment as soon as objective indicators of a loss of value are noted and at least once a year.

The choices and assumptions used to measure non-controlling interests at the date of acquisition may influence the amount of the initial goodwill and any impairment resulting from a loss of value.

For the purposes of these impairment tests, each goodwill is divided between the Group's various cash-generating units (CGUs) that will benefit from the expected advantages of the business combination. The CGUs were defined within the Group's major business lines as the smallest identifiable group of assets and liabilities operating according to its own business model. During impairment tests, the carrying amount of each CGU, including the carrying amount of goodwill allocated to it, is compared to its recoverable value.

The recoverable amount of the CGU is the higher amount between the fair value of the asset less costs to sell and its value in use. Value in use is calculated as the present value of the estimated future cash flows generated by the CGU, resulting from medium-term plans drawn up for the purposes of the Group's management.

When the recoverable amount is less than the carrying amount, the goodwill associated with the CGU is impaired accordingly. This impairment is irreversible.

CHANGES IN POST-ACQUISITION INTEREST AND GOODWILL

In the event of an increase or decrease in Crédit Agricole CIB's ownership interest in an entity already exclusively controlled without loss of control, there is no impact on the amount of goodwill recognised at the origin of the business combination.

In the event of an increase in the percentage interest of Crédit Agricole CIB in an entity already exclusively controlled, the difference between the acquisition cost and the share of net assets acquired is recognised in "Consolidated reserves" Group share.

In the event of a decrease in the percentage interest of Crédit Agricole CIB in an entity that remains exclusively controlled, the difference between the sale price and the carrying amount of the share of the net position sold is also recognised directly in "Consolidated reserves" Group share. The costs associated with these transactions are recognised in other comprehensive income.

SALE OPTIONS GRANTED TO MINORITY SHAREHOLDERS

The accounting treatment of sale options granted to minority shareholders is as follows:

- when a sale option is granted to minority shareholders of a fully-consolidated subsidiary, a liability is recognised on the liabilities side of the balance sheet; its initial recognition takes place at the estimated present value of the options granted to minority shareholders. In exchange for this debt, the share of net assets attributable to the minority interests concerned is reduced to zero and the balance is recorded as a reduction in equity;
- subsequent changes in the estimated value of the exercise price alter the amount of the debt recorded as liabilities, with a corresponding equity adjustment. Symmetrically, subsequent changes in the share of net assets due to minority shareholders are cancelled and offset in equity.

NOTE 2: MAJOR STRUCTURAL TRANSACTIONS AND MATERIAL EVENTS DURING THE PERIOD

The scope of consolidation and the changes to it are presented in detail at the end of the notes in Note 12 "Scope of consolidation at 31 December 2021".

Deconsolidation of Crédit Agricole CIB Algeria Bank Spa

Crédit Agricole CIB Algérie Bank Spa is the 100% subsidiary of Crédit Agricole CIB (CACIB).

As of mid-2020, CACIB's Executive Management has undertaken a process to stop the subsidiary's banking activities, in full transparency with the local authorities. The request for withdrawal of the banking institution's authorisation, officially filed last December, was endorsed by the Governor of the Bank of Algeria on 28 March 2021 and was followed by the appointment of a liquidator on 13 April 2021 to which all powers of administration, management and representation were transferred in accordance with Article 115 of the Algerian Banking Act. The liquidator's task is to liquidate the entity; it acts under the supervision of the Banking Commission and has sole control over the liquidation process.

Given this new context, following the appointment of the liquidator, it appears that the criteria for exclusive control under IFRS 10 are no longer fully met for the purposes of the consolidated financial statements of 31 December 2021. As a result, the subsidiary CACIB Algeria, which is no longer controlled by CACIB, was excluded from the consolidation scope from 30 June 2021.

The recognition of the loss of control results in the discontinuation of the full consolidation with all the following accounting impacts:

- Derecognition of all consolidated assets and liabilities at the date of loss of control at their net book value;
- In the absence of non-controlling interests, goodwill or disposal prices, the impact on income is limited to the reclassification of consolidated gains and losses previously recognised in other comprehensive income at their book value at the date of loss of control, or a negative impact on income of -€40m;
- The investment retained in the subsidiary will continue to be recognised in accordance with IFRS 9 until final liquidation, namely equity securities measured at fair value through other comprehensive income that cannot be reclassified to profit or loss. Any subsequent revaluations of the security as well as the impact of the final repayment of the capital invested will remain in other comprehensive income and will not impact the result.

Disposal of Crédit Agricole CIB (Miami) business to Santander

Crédit Agricole CIB (Miami) is a branch of Crédit Agricole CIB, which is in turn 97.8% controlled by Crédit Agricole S.A.

In 2020, the executive management of Crédit Agricole S.A. and Crédit Agricole CIB began the process of putting the goodwill associated with outstanding loans to customers of the Crédit Agricole CIB (Miami) branch of Crédit Agricole CIB (CACIB) up for sale.

The assets and liabilities of Crédit Agricole CIB (Miami) were thus reclassified under IFRS 5 in the consolidated financial statements of Crédit Agricole CIB as of 31 December 2020.

The negotiations conducted since January 2021 with Santander bank led to the execution of a sale contract on 17 May 2021 for part of the commercial activity of the Crédit Agricole CIB (Miami) branch of Crédit Agricole CIB and an additional agreement on 14 June 2021 for a total amount of €27 million, generating a positive impact on Crédit Agricole CIB's income of €12.6 million, recognised under "Net income from discontinued or held-for-sale operations".

Outstanding amounts not sold on 17 May and 14 June 2021, corresponding to loans to customers in the balance sheet amounting to €3.53 million and amounts due to customers for €4.12 million, are no longer recognised in accordance with IFRS 5 from 30 June 2021.

CA Indosuez Wealth (Brazil) S.A. DTVM

CA Indosuez Wealth (Brazil) S.A. DTVM is a subsidiary 97.8% controlled by Crédit Agricole S.A. The shares of this company are wholly owned by Crédit Agricole CIB, which in turn is 97.8% controlled by Crédit Agricole S.A..

In 2020, the General Management of Crédit Agricole S.A. and Crédit Agricole CIB engaged in the sale process of CA Indosuez Wealth (Brazil) S.A. DTVM.

The assets and liabilities of CA Indosuez Wealth (Brazil) were reclassified under IFRS5 in the consolidated financial statements of Crédit Agricole CIB at 31 December 2020.

On 23 April 2021, negotiations with SAFRA led to the signing of a sale agreement with CA Indosuez Wealth (Brazil). The completion of this transaction is subject to regulatory agreements and standard checks.

CA Indosuez Wealth (Brazil) is therefore maintained under IFRS 5 in Crédit Agricole CIB's consolidated financial statements at 31 December 2021 for €10 million in "Non-current assets held for sale" and €9 million in "Liabilities related to non-current assets held for sale". Net income is classified as "Net income from discontinued operations or those being divested" in the amount of -€5.7 million.

COVID-19 health crisis

The Crédit Agricole Group has taken action in response to the unprecedented situation caused by the COVID-19 health crisis. The Group has actively participated in economic support measures to assist its customers whose activity is affected by the crisis linked to the Coronavirus.

GOVERNMENT-GUARANTEED LOANS

Given the COVID-19 health crisis, the Crédit Agricole Group started offering all its business-owner customers access to the government-guaranteed loan scheme from 25 March 2020, regardless of their size or status (whether they are farmers, professionals, shopkeepers, tradespeople or companies), in addition to the measures already announced, including repayment deferrals and accelerated processing for loan applications.

These loans are in keeping with a "hold-to-collect" business model and have the necessary contractual characteristics. They are therefore recorded at amortised cost.

At 31 December 2021, Crédit Agricole CIB's outstanding government-backed loans granted to customers amounted to €1,807 million, including €188 million not drawn.

CREDIT RISK

The IASB's statement on 27 March 2020 regarding accounting for expected credit losses in line with IFRS 9 requirements for financial instruments under the current exceptional circumstances recalls the importance of companies exercising their judgement in the application of the IFRS 9 principles regarding credit risk and in the resulting classification of financial instruments.

The specific circumstances and the support measures introduced by the public authorities must be taken into account when calculating expected losses.

In view of the COVID-19 health crisis, the Group has also revised its forward-looking macroeconomic forecasts used to estimate credit risk.

CREDIT RISK MEASUREMENT

In the context of the health and economic crisis related to COVID-19, the Group continues to revise its forward-looking macroeconomic forecasts on a regular basis in order to estimate credit risk. As a reminder, the initial recognition of the effects of the health crisis and its macro-economic effects was included in reporting as from Q2 2020.

Information on the macroeconomic scenarios used for the reporting period ended 31 December 2021

The Group used four scenarios for calculating IFRS 9 provisioning parameters in production at 31 December 2021 with projections for 2024. These four scenarios were developed in October 2021 based on the information and data available at that time.

The first scenario, which is the central one, weighted at 50%, includes a growth profile that continues to depend heavily on changes in public health assumptions in 2021, but incorporates a consumption-driven rebound in growth. Significant but presumably temporary inflation in the US, with a transitory acceleration in the eurozone that is kept in check.

- The growth profile continues to depend heavily on public health assumptions in 2021, with the following assumptions for the eurozone and France:

Even in the event of new waves of infections, the lifting of the restrictive health measures last spring would not be questioned because of the ramp-up of the vaccination rollouts. Consolidation of a strong rebound in growth driven by consumption in the second half of 2021 and recovery continuing in 2022:

- GDP growth in the eurozone forecast at 5.4% in 2021 and 4.4% in 2022 and 2.5% in 2023 after a -6.5% decline in 2020.
- GDP growth in France: Annual average growth would reach 6.4% in 2021 and GDP would return to its pre-crisis level by year end. It would increase by 3.9% in 2022. However, some sectors could remain weakened (e.g. the aeronautics, automotive and tourism sectors) with lukewarm demand and supply affected by shortages of certain intermediate goods. There would also be a slight increase in business failures and the unemployment rate (very low in 2020), but the wave of failures feared at the onset of the pandemic would not materialise. In 2023, growth would remain dynamic and would reach 2% and then slow to around 1.5% in 2024 before returning to its long term trend rate (estimated at 1.35% by the French Ministry of the Economy).

Assumptions for the eurozone:

Less sustained pressure but same sources of pressure upstream and specific factors (new weightings, German VAT, base effects, etc.) that could lead to a transitory acceleration with inflation exceeding the 2% target in the second half of 2021 and first quarter of 2022. Inflation of 3% in August 2021 with a provisional peak expected around November 2021 when headline inflation could get close to 4% with core inflation around 2.4% and 1.6% in 2023. Then most likely a sharp decline with a return to comfortably below the target at end-2022 (around 1.5%). No risk of runaway inflation based on data available in October 2021. The unemployment assumptions are 8.6% in 2022 and 8.5% in 2023, slightly higher than in 2021.

- In the central scenario, the financial forecasts are as follows:

In the United States: Cautious and very slow monetary tightening by the Fed (US central bank) alongside a gradual recovery in the labour market. Willingness of the FED to carry out a gradual tapering with a moderation of long-term rates in a context of ample liquidity and high demand for sovereign securities. 10-year UST yields would hover around 1.50% at end-2021 then around 1.25% at end-2022 and 1.4% at end-2023.

In the eurozone: still very accommodative ECB (European Central Bank) policy:

- Key rates would remain unchanged over the 2021-2024 period, eliciting a need to support the fiscal stimulus plans, absorb the net issuance of securities, maintain favourable financial terms and keep risk premia in check. Consequently, ECB purchases would be extended beyond March 2022: high until end-2022 and extended (but reduced) in 2023.
- The ECB's €1,850 billion Pandemic Emergency Purchase Programme (PEPP), currently to run until March 2022, would be extended until December 2022 with a new envelope of around €180 billion. The Asset Purchase Programme (APP) would be maintained in 2022-2023 (at least) at a monthly pace of €30 billion.
- Long-term rates: these remain very low given the ECB's activism, relatively moderate inflationary pressure, questions about the output gap and its rapid closure, and the absence of major tensions on the bond markets in the US. Consequently, the Bund yield would be kept at a low level.
- Temporary pressure on the OAT/Bund spread (Q4 2021/Q1 2022 ahead of the presidential elections); in 2022 the French spread would narrow following the (supposedly reassuring) outcome of the elections, thanks to the enthusiasm of investors having neglected French securities; thereafter, return to a "normal" spread (30 bp).

Assumptions for the United States

Inflation in the October-21 scenarios estimated at +4.4% for 2021, +3.5% in 2022 and +2.3% in 2023.

Inflation was stimulated by strong demand in the post-pandemic recovery phase, with specific pressures on shipping, disruptions to production chains caused by supply difficulties (longer delivery times, shortages of wood, steel and computer chips) and a surge in the price of commodities and intermediate goods;

However, this impact is expected to be temporary due to:

- Legitimate but exaggerated fears of persisting higher inflation and further upward impulses in the second half of the year, but a disappearance of base effects. 5.5% year-on-year increase by end-2021 then easing from mid-2022. Core and headline inflation of 2.7% at end-2022.

- Unemployment in the United States falling but still significantly higher (5.9% in Q2 2021) than pre-pandemic levels (3.5%); considerable drop in the participation rate; the situation is still far from full employment which ultimately limits the risks of a sharp rise in wages;
- Persistent disinflationary forces: globalisation; technological progress; strong global competition and the need to remain competitive;
- The effects of the stimulus package in the United States call for nuance: some of the aid granted to households is saved, and some used to reduce debt. Consumption surplus is temporary, partly due to the effect of exiting the crisis/restrictions being lifted.

The second scenario, which is “moderately adverse”, differs from the central scenario in that it features a more lasting and more marked rise in inflation (2.7% in 2022, 2% in 2023 against respectively 2.4% and 1.6% in scenario 1). It includes a significant slowdown in consumption and investment in the eurozone and France from mid-2022 onwards and a rise in unemployment stemming from a more marked trend of bankruptcies. The projection for long-term rates could lead to declines on the equity markets and a correction of residential and commercial real estate.

The second scenario differs from scenario 1 in the following ways:

- Inflation shock: The rise in inflation is more lasting and sharper than in the central scenario.

Demand is very high, particularly from the United States and China (demand in the United States boosted by a massive fiscal stimulus package), while supply is disrupted by the pandemic. Disruptions to production chains, supply difficulties and shortages of certain intermediate goods are more marked than in the central scenario. The rise in the price of oil, other commodities and certain intermediate goods is therefore greater and more sustainable.

Furthermore, there is a type of wage-price spiral, with wage growth primarily due to the sharp increase in prices and to recruitment difficulties. There is a pronounced impact in the United States and a lesser impact in the eurozone.

- Rates and markets:
  - Fed: tightening of monetary policy in the face of strong growth (at least at the start of the period) and higher and more sustainable inflation. Tapering is more significant and faster than expected in 2022 and there is a hike in the Fed funds rate in 2022.
  - 10-year UST yield: tightening of monetary policy and investors’ concerns about the risk of inflation taking hold. As a result, substantial rise in long-term rates in the US, despite ample liquidity in the financial system.
  - ECB: in the face of rising inflation, the ECB’s asset purchase programme is revised slightly downwards.
  - Increase in the Bund and 10-year swaps in 2022 due to the rise in US long-term rates and reduction in ECB asset purchases.
  - Widening of spreads of France and Italy.
- Macro indicators in the eurozone/France:
  - Growth at end-2021, early 2022 but a significant slowdown in consumption and investment from mid-2022. The strong rise in inflation is only partially reflected in wages and leads to a decline in purchasing power. Corporate profits are impacted by the sharp increase in intermediate and payroll costs.
  - The rise in unemployment and bankruptcies is more pronounced than in the central scenario.
  - The increase in long-term rates leads to a decline in equity markets and a correction in residential and commercial real estate.

The third scenario is slightly more favourable than the first scenario and assumes that the pressure on commodities and intermediate goods prices in 2021 will ease quite significantly from 2022 onwards.

Global demand remains high, but as the public health situation in emerging markets improves, disruption to supply chains is limited. The assumption is that production line management becomes more effective and that supply difficulties are reduced. It is also assumed that wage increases remain fairly moderate.

From 2022 onwards, households start spending a significant portion of the savings surplus built up during the pandemic.

Growth in the eurozone is more sustained than in the central scenario (4.8% in 2022, 2.8% in 2023 against respectively 4.4% and 2.5% in scenario 1). Long-term rates in the eurozone are very low, close to their level in the central scenario.

The fourth scenario, which is the least likely and most negative, is that used in fiscal stress testing (July 2021). It is characterised by overheating, high inflation and a rise in long-term rates in the United States, on top of multiple crises in various countries. In France, a sharp economic slowdown is projected for 2022 and 2023, combined with a major correction in residential real estate.

US growth is particularly robust in 2021 and the start of 2022: post-pandemic restart and very strong fiscal stimulus (massive stimulus packages passed in full, rapid fall in unemployment and recovery in consumption).

There is an inflation shock in the United States, soaring commodities and intermediate goods prices (a new rise in oil prices in 2022 – high demand and geopolitical tensions in the Middle East); strong demand in the post-pandemic recovery phase, particularly from the United States and China; production chain disruptions leading to supply difficulties. Recruitment difficulties and wage pressure are observed in some sectors in the United States.

Bond markets become concerned about the high inflation figures, which are more pronounced than in the central scenario (fear of an inflation spiral caused by rising intermediate costs and wages) and the size of the US public deficit. The Fed is slow to react and “too late” in raising Fed funds rates in early 2022. **Tightening of US monetary policy + fiscal drift + fears of inflation taking hold leading to major concerns among investors and a sharp rise in US long-term rates.**

Several crises are piled onto this initial shock:

- Stock market crash: the equity markets, which recorded strong gains in 2021 and are almost certainly overvalued, undergo a major correction in the face of the Fed’s tightening and the sharp rise in long-term rates in the United States.
- Emerging markets: in some emerging markets, major delays in the vaccination process; ongoing public health crisis; some sectors heavily impacted (tourism in Asia); weak growth, particularly in Asia (apart from China) where there is no significant post-pandemic rebound, unlike in the United States and European Union.
- Crisis specific to France: pressures on the financial markets due to uncertainty about the upcoming presidential election which could lead to social and economic tension (rise in unemployment and bankruptcies in 2022 related to the end of “whatever it

takes", major social unrest similar to what was seen during the yellow vest protests bringing the country to a standstill). No new emergency plan to deal with this social unrest. OAT/Bund spread becomes very wide. Downgrading of the sovereign rating is envisaged.

- Crisis specific to Italy: assumption of an end to the legislature in mid-2022 and a victory for a Lega Nord/Brothers of Italy coalition with a majority in both chambers; tug-of-war with the European Commission, blocking of payments under the Stimulus Plan leading to market concerns about economic policy; major widening of the BTP/Bund spread; downgrading of the sovereign rating.

Government support measures have been taken into account in the IFRS 9 projections: the risk parameter forecast process was revised in 2020 to better reflect the impact of government programmes in IFRS 9 forecasts. The effect of this revision was to mitigate the sudden intensity of the crisis and the strength of the recovery, and to spread these over a longer period (three years).

The variables relating to the interest rates level, and more generally all the variables linked to the capital markets, have not been modified, because their forecasts already structurally include the effects of the support policies.

In order to take into account local specificities (geographical and/or associated with certain activities/businesses), sectoral supplements are prepared at the local level (local forward-looking scenarios) by some Group entities, supplementing the macroeconomic scenarios defined centrally.

For the fourth quarter of 2021, the Crédit Agricole CIB Group has made an exceptional additional ECL on healthy and impaired loans of €44 million in cost of risk.

This exceptional adjustment reduces the effect of provision reversals that occur when the macroeconomic scenarios used in the central parameters for calculating Central ECLs are updated. The adjustment is intended to cover various kinds of broad uncertainties that increased in intensity towards the end of the year. Those uncertainties – the public health situation, inflation expectations, pace of interest rate adjustments, particularly in the eurozone, geopolitical uncertainties – were estimated by experts and cannot be modelled. This level of uncertainty was not included in the October 2021 macro scenarios used to calculate IFRS 9 provisions for fourth quarter 2021. Therefore, the result of the Q4 provisioning models only reflects the improvement in the October macro scenarios compared to the previous scenarios used in Q3 and does not incorporate this level of uncertainty.

By way of example, the January 2022 inflation forecasts anticipate a 3.9% rise in inflation in the eurozone, versus 2.4% in the IFRS 9 scenarios in production.

At the end of December 2021, including local forward-looking scenarios, the share of Stage 1/Stage 2 provisions on the one hand (provisions for performing customer loans) and Stage 3 provisions on the other hand (provisions for proven risks) represented **32%** and **68%** of hedging inventories respectively for **Crédit Agricole CIB.**

At the end of December 2021, net additions to Stage 1/Stage 2 provisions represented **24%** of **Crédit Agricole CIB**'s annual cost of risk compared to **76%** for the Stage 3 share of proven risks and other provisions.

Sensitivity analysis of IFRS 9 provisions (Stage 1 and 2 ECL amounts)

The first scenario, called the central scenario, was weighted at **50%** for the calculation of IFRS 9 ECL amounts for Q4-2021. By way of example, based on the 31 August 2021 data, a 10-point reduction in the weighting of the central scenario in the Q4-2021 calculations in favour of the more unfavourable second scenario would lead to a rise in expected credit losses (ECL) under the forward looking central scenario of around **0.1% for Crédit Agricole CIB.**

This anticipated sensitivity under the central scenario is not significant and could be reduced based on adjustments under the local forward looking scenario.

NOTE 3: FINANCIAL MANAGEMENT, RISK EXPOSURE AND HEDGING POLICY

The Department of Group Permanent Control and Risks (DRG) is responsible for the management of banking risks in Crédit Agricole CIB.

This department reports to the Chief Executive Officer and its brief is to ensure the management and permanent control of credit, financial and operational risks.

A description of these processes and commentary are provided in the "Risk factors" chapter of the management report, as allowed under IFRS 7. The accounting breakdowns are presented in the financial statements.

3.1 Credit risk

(see "Risk factors - Credit Risk")

3.1.1 VALUE ADJUSTMENTS FOR LOSSES DURING THE PERIOD

Value adjustments for losses correspond to the impairment of assets and to provisions for off-balance sheet commitments recognised in net income ("Cost of risk") relating to credit risk.

The following tables present the closing balances of value adjustments for losses recognised under "Cost of risk and related carrying values", by accounting category and type of instrument.

▶ Financial assets at amortised cost: debt securities

	Performing assets				Credit-impaired assets (Stage 3)		Total		
	Assets subject to 12-month ECL (Stage 1)		Assets subject to lifetime ECL (Stage 2)						
€ million	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount (a)	Loss allowance (b)	Net carrying amount (a) + (b)
Balance at 31 december 2020	**34,583**	**(6)**	**314**	**-**	**22**	**(23)**	**34,919**	**(29)**	**34,890**
Transfer between stages during the period	**(19)**	**-**	**19**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 2	(19)	-	19	-	-	-	-	-	-
Return from Stage 2 to Stage 1	-	-	-	-	-	-	-	-	-
Transfer to Stage 3 [1]	-	-	-	-	-	-	-	-	-
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-	-
Total after transfer	**34,564**	**(6)**	**333**	**-**	**22**	**(23)**	**34,919**	**(29)**	**34,890**
Changes in gross carrying amounts and loss allowances	**(4,657)**	**3**	**(285)**	**(1)**	**2**	**(1)**	**(4,940)**	**1**	-
New production : purchase, granting, origination,… [2]	23,639	(4)	35	(1)	-	-	23,674	(5)	-
Derecognition : disposal, repayment, maturity...	(29,688)	6	(321)	-	-	-	(30,009)	6	-
Write-off	-	-	-	-	-	-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	-	-	-	-	-	-	-	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-	-	-
Other	1,392	1	1	-	2	(1)	1,395	-	
Total	**29,907**	**(3)**	**48**	**(1)**	**24**	**(24)**	**29,979**	**(28)**	**29,951**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	(310)	-	-	-	-	-	(310)	-	-
Balance at 31 december 2021	**29,597**	**(3)**	**48**	**(1)**	**24**	**(24)**	**29,669**	**(28)**	**29,641**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-	-	-	-	-	-	-	-	-

[1] Transfers to Stage 3 correspond to stocks initially classified in Stage 1, which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year. The Stages provisioning principles are pesented in "Accounting policies and principles" of Crédit Agricole CIB in the chapter "Risk factor - credit risk".

[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.

[3] Includes the variations of fair value adjustments of micro-hedged instruments, the variations relating to the use of the EIR method (notably the amortisation of premiums/ discounts), the variations of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset).

▶ Financial assets at amortised cost: loans and receivables due from credit institutions

	Performing assets				Credit-impaired assets (Stage 3)		Total		
	Assets subject to 12-month ECL (Stage 1)		Assets subject to lifetime ECL (Stage 2)						
€ million	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount (a)	Loss allowance (b)	Net carrying amount (a) + (b)
Balance at 31 december 2020	**26,645**	**(4)**	**55**	**-**	**401**	**(355)**	**27,101**	**(359)**	**26,742**
Transfer between stages during the period	**14**	**-**	**(14)**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-	-
Return from Stage 2 to Stage 1	14	-	(14)	-	-	-		-	-
Transfer to Stage 3 [1]	-	-	-	-	-	-	-	-	-
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-	-
Total after transfer	**26,659**	**(4)**	**41**	**-**	**401**	**(355)**	**27,101**	**(359)**	**26,742**
Changes in gross carrying amounts and loss allowances	**16,865**	**(2)**	**(7)**	**-**	**29**	**(25)**	**16,887**	**(27)**	-
New production : purchase, granting, origination,… [2]	57,412	(3)	-	-	-	-	57,412	(3)	-
Derecognition : disposal, repayment, maturity...	(41,011)	5	(10)	-	-	1	(41,021)	6	-
Write-off	-	-	-	-	-	-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	(4)	-	-	-	(1)	-	(5)	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	(1)	-	-	-	-	-	(1)	-	-
Other	465	-	3	-	29	(25)	497	(25)	-
Total	**43,524**	**(6)**	**34**	**-**	**430**	**(380)**	**43,988**	**(386)**	**43,602**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	(3)	-	-	-	1	-	(2)	-	-
Balance at 31 december 2021	**43,521**	**(6)**	**34**	**-**	**431**	**(380)**	**43,986**	**(386)**	**43,600**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-	-	-	-	-		-	-	-

[1] Transfers to Stage 3 correspond to stocks initially classified in Stage 1, which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year. The Stages provisioning principles are pesented in "Accounting policies and principles" of Crédit Agricole CIB in the chapter "Risk factor - credit risk".

[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.

[3] Includes the variations of fair value adjustments of micro-hedged instruments, the variations relating to the use of the EIR method (notably the amortisation of premiums/ discounts), the variations of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), and the variations of changes in related receivables.

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▶ Financial assets at amortised cost: loans and receivables due from customers

	Performing assets				Credit-impaired assets (Stage 3)		Total		
	Assets subject to 12-month ECL (Stage 1)		Assets subject to lifetime ECL (Stage 2)						
€ million	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount (a)	Loss allowance (b)	Net carrying amount (a) + (b)
Balance at 31 december 2020	**123,109**	**(174)**	**17,403**	**(573)**	**4,168**	**(1,933)**	**144,680**	**(2,680)**	**142,000**
Transfer between stages during the period	**(6,432)**	**(1)**	**5,844**	**(14)**	**589**	**(82)**	**1**	**(97)**	-
Transfer from Stage 1 to Stage 2	(8,671)	12	8,671	(86)	-	-	-	(74)	-
Return from Stage 2 to Stage 1	2,244	(13)	(2,244)	23	-	-	-	10	-
Transfer to Stage 3 [1]	(10)	-	(627)	51	638	(92)	1	(41)	-
Return from Stage 3 to Stage 2 / Stage 1	5	-	44	(2)	(49)	10	-	8	-
Total after transfer	**116,677**	**(175)**	**23,247**	**(587)**	**4,757**	**(2,015)**	**144,681**	**(2,777)**	**141,904**
Changes in gross carrying amounts and loss allowances	**28,427**	**(18)**	**(3,513)**	**62**	**(1,220)**	**179**	**23,694**	**223**	**-**
New production : purchase, granting, origination, renegociation… [2]	139,481	(295)	3,811	(868)	-	-	143,292	(1,163)	-
Derecognition : disposal, repayment, maturity...	(116,251)	259	(8,247)	895	(1,071)	208	(125,569)	1,362	-
Write-off	-	-	-	-	(312)	302	(312)	302	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	1	-	(1)	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	18	-	62	-	(239)	-	(159)	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	11	-	-	-	-	-	11	-	-
Other	5,186	(1)	923	(26)	163	(92)	6,272	(119)	-
Total	**145,104**	**(193)**	**19,734**	**(525)**	**3,537**	**(1,836)**	**168,375**	**(2,554)**	**165,821**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	(224)	-	(56)	-	289	-	9	-	-
Balance at 31 december 2021 [4]	**144,880**	**(193)**	**19,678**	**(525)**	**3,826**	**(1,836)**	**168,384**	**(2,554)**	**165,830**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-	-	-

[1] *Transfers to Stage 3 correspond to stocks initially classified in Stage 1, which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year. The Stages provisioning principles are pesented in "Accounting policies and principles" of Crédit Agricole CIB in the chapter "Risk factor - credit risk".*

[2] *Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.*

[3] *Includes the variations of fair value adjustments of micro-hedged instruments, the variations relating to the use of the EIR method (notably the amortisation of premiums/ discounts), the variations of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), and the variations of changes in related receivables.*

[4] *As of 31 december 2021, the government-backed loans granted to the customers of Crédit Agricole CIB as part of the measures to support the economy in the health crisis linked to Covid-19 amounted to €1.807 billion.*

▶ Financial assets at fair value through other comprehensive income: debt securities

	Performing assets				Credit-impaired assets (Stage 3)		Total	
	Assets subject to 12-month ECL (Stage 1)		Assets subject to lifetime ECL (Stage 2)					
€ million	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance
Balance at 31 december 2020	**11,042**	**(6)**	**-**	**-**	**-**	**(3)**	**11,042**	**(9)**
Transfer between stages during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Return from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 3 [1]	-	-	-	-	-	-	-	-
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-
Total after transfer	**11,042**	**(6)**	**-**	**-**	**-**	**(3)**	**11,042**	**(9)**
Changes in gross carrying amounts and loss allowances	**2,039**	**-**	**-**	**-**	**-**	**-**	**2,039**	**-**
Fair value revaluation during the period	(172)		-		-	-	(172)	-
New production : purchase, granting, origination,… [2]	6,191	(3)	-	-	-	-	6,191	(3)
Derecognition : disposal, repayment, maturity...	(4,640)	3	-	-	-	-	(4,640)	3
Write-off	-	-	-	-	-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	-	-	-	-	-	-	-
Changes in model / methodology	-	-	-	-	-	-		-
Changes in scope	-	-	-	-	-	-	-	-
Other	660	-	-	-	-	-	660	-
Total	13,081	(6)	-	-	-	(3)	13,081	(9)
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	-	-	-	-	-	-	-	-
Balance at 31 december 2021	**13,081**	**(6)**	**-**	**-**	**-**	**(3)**	**13,081**	**(9)**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-	-	-	-	-	-	-	-

[1] Transfers to Stage 3 correspond to commitments initially classified in Stage 1,which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year. The Stages provisioning principles are pesented in “Accounting policies and principles” of Crédit Agricole CIB in the chapter “Risk factor - credit risk”.

[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.

[3] Includes impacts related to the use of the EIR method (notably the amortisation of premiums/ discounts).

▶ Loan commitments

€ million	Performing commitments – Commitments subject to 12-month ECL (Stage 1) – Amount of commitment	Performing commitments – Commitments subject to 12-month ECL (Stage 1) – Loss allowance	Performing commitments – Commitments subject to lifetime ECL (Stage 2) – Amount of commitment	Performing commitments – Commitments subject to lifetime ECL (Stage 2) – Loss allowance	Provisioned commitments (Stage 3) – Amount of commitment	Provisioned commitments (Stage 3) – Loss allowance	Total – Amount of commitment (a)	Total – Loss allowance (b)	Total – Net amount of commitment (a) + (b)
Balance at 31 december 2020	**113,817**	**(93)**	**5,899**	**(153)**	**215**	**(43)**	**119,931**	**(289)**	**119,642**
Transfer between stages during the period	**(2,778)**	**(20)**	**2,782**	**(23)**	**(4)**	**-**	**-**	**(43)**	**-**
Transfer from Stage 1 to Stage 2	(4,190)	10	4,190	(62)	-	-	-	(52)	-
Return from Stage 2 to Stage 1	1,412	(30)	(1,412)	39	-	-	-	9	-
Transfer to Stage 3 [1]	-	-	-	-	-	-	-	-	-
Return from Stage 3 to Stage 2 / Stage 1	-	-	4	-	(4)	-	-	-	-
Total after transfer	**111,039**	**(113)**	**8,681**	**(176)**	**211**	**(43)**	**119,931**	**(332)**	**119,599**
Changes in commitments and loss allowances	**1,564**	**(11)**	**(607)**	**(55)**	**(30)**	**12**	**927**	**(54)**	-
New commitments given [2]	97,960	(478)	2,488	(811)	-	-	100,448	(1,289)	-
End of commitments	(100,547)	476	(3,398)	812	(161)	22	(104,106)	1,310	-
Write-off	-	-	-	-	(6)	6	(6)	6	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	(2)	-	(43)	-	(17)	-	(62)	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-	-	-
Other	4,151	(7)	303	(13)	137	1	4,591	(19)	-
Balance at 31 december 2021	**112,603**	**(124)**	**8,074**	**(231)**	**181**	**(31)**	**120,858**	**(386)**	**120,472**

[1] Transfers to Stage 3 correspond to commitments initially classified in Stage 1,which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year. The Stages provisioning principles are pesented in "Accounting policies and principles" of Crédit Agricole CIB in the chapter "Risk factor - credit risk".

[2] New commitments in Stage 2 could include some originated commitments in Stage 1 reclassified in Stage 2 during the period.

▶ Guarantee commitments

€ million	Performing commitments				Engagements provisionnés (Stage 3)		Total		
	Commitments subject to 12-month ECL (Stage 1)		Commitments subject to lifetime ECL (Stage 2)						
	Amount of commitment	Loss allowance	Amount of commitment	Loss allowance	Amount of commitment	Loss allowance	Amount of commitment (a)	Loss allowance (b)	Net amount of commitment (a) + (b)
Balance at 31 december 2020	**48,669**	**(14)**	**3,623**	**(21)**	**615**	**(100)**	**52,907**	**(135)**	**52,772**
Transfer between stages during the period	**(325)**	**(1)**	**256**	**(2)**	**69**	**(8)**	**-**	**(11)**	**-**
Transfer from Stage 1 to Stage 2	(1,351)	1	1,351	(6)	-	-	-	(5)	-
Return from Stage 2 to Stage 1	1,027	(2)	(1,027)	3	-	-	-	1	-
Transfer to Stage 3 [1]	(1)	-	(101)	1	102	(8)	-	(7)	-
Return from Stage 3 to Stage 2 / Stage 1	-	-	33	-	(33)	-	-	-	-
Total after transfer	**48,344**	**(15)**	**3,879**	**(23)**	**684**	**(108)**	**52,907**	**(146)**	**52,761**
Changes in commitments and loss allowances	**25,432**	**1**	**(1,488)**	**(1)**	**(170)**	**21**	**23,774**	**21**	-
New commitments given [2]	70,617	(69)	1,377	(123)			71,994	(192)	-
End of commitments	(47,634)	71	(3,015)	127	(240)	48	(50,889)	246	-
Write-off	-	-	-	-	(40)	40	(40)	40	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	1	-	(4)	-	(61)	-	(64)	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	(47)	-	-	-	(7)	-	(54)	-	-
Other	2,496	(2)	150	(1)	117	(6)	2,763	(9)	-
Balance at 31 december 2021	**73,776**	**(14)**	**2,391**	**(24)**	**514**	**(87)**	**76,681**	**(125)**	**76,556**

[1] Transfers to Stage 3 correspond to commitments initially classified in Stage 1,which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year. The Stages provisioning principles are pesented in "Accounting policies and principles" of Crédit Agricole CIB in the chapter "Risk factor - credit risk".

[2] New commitments in Stage 2 could include some originated commitments in Stage 1 reclassified in Stage 2 during the period.

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3.1.2 MAXIMUM EXPOSURE TO CREDIT RISK

An entity's maximum credit risk exposure corresponds to the carrying amount, net of any recognised impairment loss and excluding assets held as collateral or other credit enhancements (e.g. netting agreements not qualifying for offsetting conditions under IAS 32).

The tables below show the maximum exposures as well as the amount of collateral held and other credit enhancement techniques used to reduce this exposure.

Impaired assets at the reporting date correspond to credit-impaired assets (Stage 3).

▶ Financial assets not subject to impairment requirements (recognised at fair value through profit or loss)

	31.12.2021					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
€ million	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	**243,608**	**-**	**-**	**1,279**	**39**	**-**
Financial assets held for trading	243,544	-	-	1,279	-	-
Debt instruments that do not meet the conditions of the "SPPI" test	64	-	-	-	39	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Hedging derivative Instruments	**1,323**	**-**	**-**	**-**	**-**	**-**
TOTAL	**244,931**	**-**	**-**	**1,279**	**39**	**-**

	31.12.2020					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
€ million	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	**277,935**	**-**	**3,864**	**702**	**112**	**-**
Financial assets held for trading	277,880	-	-	691	-	-
Debt instruments that do not meet the conditions of the "SPPI" test	55	-	3,864	11	112	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Hedging derivative Instruments	**1,503**	**-**	**-**	**1,329**	**-**	**-**
TOTAL	**279,438**	**-**	**3,864**	**2,031**	**112**	**-**

▶ Financial assets subject to impairment requirements

	31.12.2021					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
€ million	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	**13,081**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables due from credit institutions	**-**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables due from customers	**-**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Debt securities	**13,081**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Financial assets at amortised cost	**239,071**	**-**	**39,297**	**2,690**	**41,738**	**907**
of which impaired assets at the reporting date	2,041	-	-	-	156	-
Loans and receivables due from credit institutions	**43,600**	**-**	**-**	**2**	**3,610**	**-**
of which impaired assets at the reporting date	51	-	-	-	-	-
Loans and receivables due from customers	**165,830**	**-**	**39,297**	**2,688**	**38,128**	**907**
of which impaired assets at the reporting date	1,990	-	-	-	156	-
Debt securities	**29,641**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Total	**252,152**	**-**	**39,297**	**2,690**	**41,738**	**907**
of which impaired assets at the reporting date	2,041	-	-	-	156	-

	31.12.2020					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
€ million	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	11,042	-	-	-	-	-
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables due from credit institutions	**-**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables due from customers	-	-	-	-	-	-
of which impaired assets at the reporting date	-	-	-	-	-	-
Debt securities	**11,042**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Financial assets at amortised cost	**203,633**	**-**	**35,729**	**3,140**	**34,641**	**700**
of which impaired assets at the reporting date	2,282	-	-	45	612	-
Loans and receivables due from credit institutions	**26,742**	**-**	**-**	**77**	**3,156**	**700**
of which impaired assets at the reporting date	47	-	-	-	28	-
Loans and receivables due from customers	**142,001**	**-**	**35,729**	**3,063**	**31,485**	**-**
of which impaired assets at the reporting date	2,235	-	-	45	584	-
Debt securities	**34,890**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Total	**214,675**	**-**	**35,729**	**3,140**	**34,641**	**700**
of which impaired assets at the reporting date	2,282	-	-	45	612	-

▶ Off-balance sheet commitments subject to provisioning requirements

	31.12.2021					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
€ million	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Guarantee commitments (Except internal transactions to the group Credit Agricole)	**76,556**	**-**	**8**	**224**	**4,581**	**1,527**
of which provisioned commitments at the reporting date	427	-	-	-	-	-
Financing commitments (Except internal transactions to the group Credit Agricole)	**120,472**	**-**	**105**	**495**	**19,448**	**7,593**
of which provisioned commitments at the reporting date	150	-	-	-	-	-
Total	**197,028**	**-**	**113**	**719**	**24,029**	**9,120**
of which provisioned commitments at the reporting date	577	-	-	-	-	-

	31.12.2020					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
€ million	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Guarantee commitments (Except internal transactions to the group Credit Agricole)	**52,774**	**-**	**-**	**216**	**1,801**	**553**
of which provisioned commitments at the reporting date	518	-	-	91	8	-
Financing commitments (Except internal transactions to the group Credit Agricole)	**119,643**	**-**	**75**	**438**	**11,535**	**7,827**
of which provisioned commitments at the reporting date	172	-	-	-	9	-
Total	**172,417**	**-**	**75**	**654**	**13,336**	**8,380**
of which provisioned commitments at the reporting date	690	-	-	91	17	-

A description of assets held as collateral is presented in Note 9 "Loan and guarantee commitments and other guarantees".

3.1.3 MODIFIED FINANCIAL ASSETS

Modified financial assets comprise assets restructured due to financial hardships. These are receivables for which Crédit Agricole CIB has modified the initial financial terms (interest rate, maturity, etc.) for economic or legal reasons associated with the borrower's financial hardships, under conditions that would not have been considered in other circumstances. They can thus comprise receivables classified as defaulted or as performing at the restructuring date. (A more detailed definition of restructured outstandings and their accounting treatment is detailed in Note 1.2 "Accounting policies and principles", Chapter "Financial instruments - Credit risk").

For assets restructured over the period, the carrying amount established post-restructuring is:

	Performing assets		
€ million	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)
Loans and receivables due from credit institutions	**-**	**-**	**-**
Gross carrying amount before modification	-	-	-
Net gain (loss) resulting from the modification	-	-	-
Loans and receivables due from customers	**-**	**1,033**	**835**
Gross carrying amount before modification	-	1,033	835
Net gain (loss) resulting from the modification	-	-	-
Debt securities	**-**	**-**	**-**
Gross carrying amount before modification	-	-	-
Net gain (loss) resulting from the modification	-	-	-

In accordance with the principles set out in Note 1.2 "Accounting principles and methods," Chapter "Financial instruments - Credit risk," restructured assets classified in Stage 2 (performing assets) or Stage 3 (credit-impaired assets) may be returned to Stage 1 (performing assets). The carrying amount of modified assets subject to reclassification over the period is:

	Gross carrying amount
€ million	Assets subject to 12-month ECL (Stage 1)
Restructured assets previously classified in Stage 2 or Stage 3 and reclassified in Stage 1 during the period	-
Loans and receivables due from credit institutions	-
Loans and receivables due from customers	3
Debt securities	-
TOTAL	**3**

3.1.4 CONCENTRATIONS OF CREDIT RISK

Carrying amounts and amounts of commitments are presented net of impairments and provisions.

EXPOSURE TO CREDIT RISK BY CREDIT RISK CLASS

Credit risk classes are shown in PD intervals. The correspondence between internal ratings and PD intervals is detailed in the “Risks and Pillar 3 – Credit risk management” chapter of the Crédit Agricole CIB Registration Document.

▶ **Financial assets at amortised cost**

		At 31 december 2021				At 31 december 2020			
		Carrying amount				Carrying amount			
		Performing assets				Performing assets			
€ million	Credit risk rating grades	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total
Non-retail customers	PD ≤ 0,6%	185,128	5,128	-	190,256	155,653	3,621	-	159,274
	0,6% < PD ≤ 12%	20,106	13,416	-	33,522	17,191	11,104	-	28,295
	12% < PD < 100%	-	1,183	-	1,183	-	2,979	-	2,979
	PD = 100%	-	-	4,211	4,211	-	-	4,527	4 527
Total Non-retail customers		**205,234**	**19,727**	**4,211**	**229,172**	**172,844**	**17,704**	**4,527**	**195,075**
Retail customers	PD ≤ 0,5%	12,192	4	-	12,196	11,027	19	-	11,046
	0,5% < PD ≤ 2%	554	1	-	555	463	1	-	464
	2% < PD ≤ 20%	18	28	-	46	1	47	-	48
	20% < PD < 100%	-	-	-	-	-	-	-	-
	PD = 100%	-	-	70	70	-	-	67	67
Total Retail customers		**12,764**	**33**	**70**	**12,867**	**11,491**	**67**	**67**	**11,625**
Impairment		(203)	(525)	(2,240)	(2,968)	(184)	(574)	(2,310)	(3,068)
TOTAL		**217,795**	**19,235**	**2,041**	**239,071**	**184,151**	**17,197**	**2,284**	**203,632**

▶ **Financial assets at fair value through other comprehensive income that can be reclassified to profit or loss**

		At 31 december 2021				At 31 december 2020			
		Carrying amount				Carrying amount			
		Performing assets				Performing assets			
€ million	Credit risk rating grades	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total
Non-retail customers	PD ≤ 0,6%	12,751	-	-	12,751	10,945	-	-	10,945
	0,6% < PD ≤ 12%	330	-	-	330	97	-	-	97
	12% < PD < 100%	-	-	-	-	-	-	-	-
	PD = 100%	-	-	-		-	-	-	-
Total Non-retail customers		**13,081**	**-**	**-**	**13,081**	**11,042**	-	-	**11,042**
Retail customers	PD ≤ 0,5%	-	-	-	-		-	-	-
	0,5% < PD ≤ 2%	-	-	-	-		-	-	-
	2% < PD ≤ 20%	-	-	-	-		-	-	-
	20% < PD < 100%	-	-	-	-	-	-	-	-
	PD = 100%	-	-	-	-	-	-	-	-
Total Retail customers		**-**	**-**	**-**	**-**		-	-	**-**
TOTAL		**13,081**	**-**	**-**	**13,081**	**11,042**	-	-	**11,042**

▶ Loan commitments

		At 31 december 2021				At 31 december 2020			
		Amount of commitment				Amount of commitment			
		Performing commitments				Performing commitments			
€ million	Credit risk rating grades	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitment (Stage 3)	Total	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitment (Stage 3)	Total
Non-retail customers	PD ≤ 0,6%	100,884	1,559	-	102,443	103,136	897	-	104,033
	0,6% < PD ≤ 12%	9,976	5,746	-	15,722	8,766	4,302	-	13,068
	12% < PD < 100%	-	761	-	761	-	694	-	694
	PD = 100 %	-	-	181	181	-	-	212	212
Total Non-retail customers		**110,860**	**8,066**	**181**	**119,107**	**111,902**	**5,893**	**212**	**118,007**
Retail customers	PD ≤ 0,5%	1,610	-	-	1,610	1,780	-	-	1,780
	0,5% < PD ≤ 2%	130	-	-	130	136	1	-	137
	2% < PD ≤ 20%	3	8	-	11	-	3	-	3
	20% < PD < 100%	-	-	-	-	-	-	-	-
	PD = 100%	-	-	-	-	-	-	3	3
Total Retail customers		**1,743**	**8**	**-**	**1,751**	**1,916**	**4**	**3**	**1,923**
Provisions [1]		(124)	(231)	(31)	(386)	(93)	(153)	(42)	(288)
TOTAL		**112,479**	**7,843**	**150**	**120,472**	**113,725**	**5,744**	**173**	**119,642**

[1] *Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

▶ Guarantee commitments

		At 31 december 2021				At 31 december 2020			
		Amount of commitment				Amount of commitment			
		Performing commitments				Performing commitments			
€ million	Credit risk rating grades	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitment (Stage 3)	Total	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitment (Stage 3)	Total
Non-retail customers	PD ≤ 0,6%	68,987	951	-	69,938	44,296	1,088	-	45,384
	0,6% < PD ≤ 12%	4,120	1,158	-	5,278	3,720	1,125	-	4,845
	12% < PD < 100%	-	280	-	280	-	1,407	-	1,407
	PD = 100 %	-	-	514	514	-	-	616	616
Total Non-retail customers		**73,107**	**2,389**	**514**	**76,010**	**48,016**	**3,620**	**616**	**52,252**
Retail customers	PD ≤ 0,5%	622	1	-	623	620	-	-	620
	0,5% < PD ≤ 2%	45	-	-	45	31	-	-	31
	2% < PD ≤ 20%	2	1	-	3	1	2	-	3
	20% < PD < 100%	-	-	-	-	-	-	-	-
	PD = 100%	-	-	-	-	-	-	-	-
Total Retail customers		**669**	**2**	**-**	**671**	**652**	**2**	**-**	**654**
Provisions [1]		(14)	(24)	(87)	(125)	(14)	(21)	(99)	(134)
TOTAL		**73,762**	**2,367**	**427**	**76,556**	**48,654**	**3,601**	**517**	**52,772**

[1] *Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

3.1.5 CONCENTRATIONS OF CREDIT RISK BY ECONOMIC AGENT

▶ Financial assets at amortised cost by economic agent

	At 31 december 2021				At 31 december 2020			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
€ million	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total
General administration	17,239	850	48	18,137	17,091	698	58	17,847
Central banks	3,416	-	-	3,416	2,706	-	-	2,706
Credit institutions	46,429	34	431	46,894	32,049	55	402	32,506
Large corporates	138,150	18,843	3,732	160,725	120,997	16,950	4,068	142,015
Retail customers	12,764	33	70	12,867	11,492	68	66	11,626
Impairment	(203)	(525)	(2,240)	(2,968)	(184)	(574)	(2,310)	(3,068)
TOTAL	**217,795**	**19,235**	**2,041**	**239,071**	**184,151**	**17,197**	**2,284**	**203,632**

▶ Financial assets at fair value through other comprehensive income recyclable to income by economic agent

	At 31 december 2021				At 31 december 2020			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
€ million	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage3)	Total
General administration	9,954	-	-	9,954	7,311	-	-	7,311
Central banks	-	-	-	-	66	-	-	66
Credit institutions	2,456	-	-	2,456	2,923	-	-	2,923
Large corporates	671	-	-	671	742	-	-	742
Retail customers	-	-	-	-	-	-	-	-
TOTAL	**13,081**	**-**	**-**	**13,081**	**11,042**	**-**	**-**	**11,042**

▶ Amounts due to customers by economic agent

€ million	31.12.2021	31.12.2020
General administration	12,737	7,377
Large corporates	123,592	120,391
Retail customers	23,249	21,316
TOTAL AMOUNT DUE TO CUSTOMERS	**159,578**	**149,084**

▶ Loan commitments by economic agent

	At 31 december 2021				At 31 december 2020			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
€ million	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total
General administration	4,008	871	-	4,879	2,921	743	-	3,664
Central banks	-	-	-	-	-	-	-	-
Credit institutions	6,225	-	-	6,225	8,396	-	-	8,396
Large corporates	100,627	7,195	181	108,003	100,583	5,154	212	105,949
Retail customers	1,743	8	-	1,751	1,916	3	3	1,922
Provisions [1]	(124)	(231)	(31)	(386)	(93)	(154)	(42)	(289)
TOTAL	**112,479**	**7,843**	**150**	**120,472**	**113,723**	**5,746**	**173**	**119,642**

[1] Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.

▶ Guarantee commitments by economic agent

€ million	31.12.2021				31.12.2020			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total
General administration	36	-	-	36	1	-	-	1
Central banks	433	-	-	433	464	-	-	464
Credit institutions	8,589	20	-	8,609	5,876	34	2	5,912
Large corporates	64,049	2,369	514	66,932	41,674	3,586	613	45,873
Retail customers	669	2	-	671	653	2	1	656
Provisions [1]	(14)	(24)	(87)	(125)	(14)	(21)	(99)	(134)
TOTAL	73,762	2,367	427	76,556	48,654	3,601	517	52,772

[1] *Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

3.1.6 CONCENTRATION OF CREDIT RISK BY GEOGRAPHIC AREA

▶ Financial assets at amortised cost by geographic area

€ million	31.12.2021				31.12.2020			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total
France (including overseas departments and territories)	67,936	3,638	806	**72,380**	49,283	3,580	808	**53,671**
Other European Union countries	38,680	2,932	558	**42,170**	44,168	3,494	869	**48,531**
Other European countries	25,106	1,652	327	**27,085**	13,577	501	213	**14,291**
North America	27,365	3,876	231	**31,472**	25,783	3,324	293	**29,400**
Central and South America	8,100	2,082	1,376	**11,558**	6,794	2,059	1,204	**10,057**
Africa and Middle East	12,626	1,870	587	**15,083**	11,333	1,841	677	**13,851**
Asia-Pacific (ex. Japan)	33,858	2,550	266	**36,674**	29,586	1,778	299	**31,663**
Japan	4,186	1,160	130	**5,476**	3,811	1,194	231	**5,236**
Supranational organisations	141	-	-	**141**	-	-	-	**-**
Impairment	(203)	(525)	(2,240)	**(2,968)**	(184)	(574)	(2,310)	**(3,068)**
TOTAL	217,795	19,235	2,041	239,071	184,151	17,197	2,284	203,632

▶ Financial assets at fair value through other comprehensive income recyclable to income by geographic area

€ million	31.12.2021				31.12.2020			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total	Assets subject to 12-month ECL (Stage 1)	Assets subject to lifetime ECL (Stage 2)	Credit-impaired assets (Stage 3)	Total
France (including overseas departments and territories)	2,454	-	-	**2,454**	2,017	-	-	**2,017**
Other European Union countries	4,375	-	-	**4,375**	4,212	-	-	**4,212**
Other European countries	675	-	-	**675**	506	-	-	**506**
North America	2,457	-	-	**2,457**	2,203	-	-	**2,203**
Central and South America	214	-	-	**214**	112	-	-	**112**
Africa and Middle East	389	-	-	**389**	331	-	-	**331**
Asia-Pacific (ex. Japan)	1,170	-	-	**1,170**	842	-	-	**842**
Japan	1,306	-	-	**1,306**	699	-	-	**699**
Supranational organisations	41	-	-	**41**	120	-	-	**120**
TOTAL	13,081	-	-	13,081	11,042	-	-	11,042

3.1.7 AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHIC AREA

€ million	31.12.2021	31.12.2020
France (including overseas departments and territories)	35,847	34,536
Other European Union countries	42,130	41,677
Other European countries	22,859	12,487
North America	16,739	22,448
Central and South America	5,556	5,204
Africa and Middle East	8,267	6,595
Asia-Pacific (ex. Japan)	17,555	13,630
Japan	10,625	12,507
Supranational organisations	-	-
TOTAL AMOUNT DUE TO CUSTOMERS	**159,578**	**149,084**

▶ Loan commitments by geographic area

	31.12.2021				31.12.2020			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
€ million	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total
France (including overseas departments and territories)	33,571	977	41	**34,589**	38,074	662	41	**38,777**
Other European Union countries	24,670	1,311	95	**26,076**	35,384	1,102	148	**36,634**
Other European countries	12,433	869	4	**13,306**	5,749	164	2	**5,915**
North America	26,243	2,698	1	**28,942**	22,324	2,446	3	**24,773**
Central and South America	2,487	1,360	39	**3,886**	1,939	1,231	1	**3,171**
Africa and Middle East	4,338	468	-	**4,806**	3,331	281	-	**3,612**
Asia-Pacific (ex. Japan)	7,739	391	1	**8,131**	6,146	14	20	**6,180**
Japan	1,122	-	-	**1,122**	869	-	-	**869**
Supranational organisations	-	-	-	**-**	-	-	-	**-**
Provisions [1]	(124)	(231)	(31)	**(386)**	(93)	(154)	(42)	**(289)**
TOTAL	**112,479**	**7,843**	**150**	**120,472**	**113,723**	**5,746**	**173**	**119,642**

[1] Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.

3.1.8 GUARANTEE COMMITMENTS BY GEOGRAPHIC AREA

	31.12.2021				31.12.2020			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
€ million	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total	Commitments subject to 12-month ECL (Stage 1)	Commitments subject to lifetime ECL (Stage 2)	Provisioned commitments (Stage 3)	Total
France (including overseas departments and territories)	21,612	255	1	**21,868**	11,469	327	11	**11,807**
Other European Union countries	11,032	967	386	**12,385**	11,830	1,395	487	**13,712**
Other European countries	8,777	287	77	**9,141**	3,061	140	-	**3,201**
North America	19,678	559	13	**20,250**	11,447	1,267	53	**12,767**
Central and South America	1,063	99	3	**1,165**	1,340	3	18	**1,361**
Africa and Middle East	1,687	17	29	**1,733**	1,554	48	29	**1,631**
Asia-Pacific (ex. Japan)	8,692	116	5	**8,813**	6,681	334	18	**7,033**
Japan	1,235	91	-	**1,326**	1,286	108	-	**1,394**
Supranational organisations	-	-	-	**-**	-	-	-	**-**
Provisions [1]	(14)	(24)	(87)	**(125)**	(14)	(21)	(99)	**(134)**
TOTAL	**73,762**	**2,367**	**427**	**76,556**	**48,654**	**3,601**	**517**	**52,772**

[1] Expected or incurred losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.

3.2 Market risk

(See Management Report)

3.2.1 DERIVATIVE TRANSACTIONS: ANALYSIS BY RESIDUAL MATURITY

The breakdown of the MtMs of derivative instruments is shown by remaining contractual maturity.

▶ **Hedging derivatives - fair value of assets**

	31.12.2021						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**-**	**-**	**638**	**44**	**11**	**693**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	638	44	11	693
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**65**	**3**	**-**	**68**
Currency futures	-	-	-	65	3	-	68
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**26**	**-**	**-**	**26**
Other	-	-	-	26	-	-	26
Subtotal	**-**	**-**	**-**	**729**	**47**	**11**	**787**
Forward currency transactions	-	-	-	536	-	-	536
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - ASSETS	**-**	**-**	**-**	**1,265**	**47**	**11**	**1,323**

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**-**	**-**	**1,123**	**18**	**9**	**1,150**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	1,123	18	9	1,150
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**107**	**30**	**-**	**137**
Currency futures	-	-	-	107	30	-	137
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**15**	**-**	**-**	**15**
Other	-	-	-	15	-	-	15
Subtotal	**-**	**-**	**-**	**1,245**	**48**	**9**	**1,302**
Forward currency transactions	-	-	-	201	-	-	201
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - ASSETS	**-**	**-**	**-**	**1,446**	**48**	**9**	**1,503**

Hedging derivatives - fair value of liabilities

	31.12.2021						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**-**	**-**	**775**	**19**	**20**	**814**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	775	19	20	814
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**34**	**-**	**-**	**34**
Currency futures	-	-	-	34	-	-	34
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**16**	**-**	**-**	**16**
Other	-	-	-	16	-	-	16
Subtotal	**-**	**-**	**-**	**825**	**19**	**20**	**864**
Forward currency transactions	-	-	-	338	-	-	338
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - LIABILITIES	**-**	**-**	**-**	**1,163**	**19**	**20**	**1,202**

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**-**	**-**	**1,018**	**101**	**42**	**1,161**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	1,018	101	42	1,161
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**96**	**4**	**-**	**100**
Currency futures	-	-	-	96	4	-	100
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**35**	**-**	**-**	**35**
Other	-	-	-	35	-	-	35
Subtotal	**-**	**-**	**-**	**1,149**	**105**	**42**	**1,296**
Forward currency transactions	-	-	-	413	-	-	413
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - LIABILITIES	**-**	**-**	**-**	**1,562**	**105**	**42**	**1,709**

▶ Trading derivatives - fair value of assets

	31.12.2021						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**4**	**2**	**-**	**3,666**	**15,616**	**49,594**	**68,882**
Futures	-	2	-	-	-	-	2
FRAs	-	-	-	2	-	-	2
Interest rate swaps	-	-	-	3,205	13,383	39,896	56,484
Interest rate options	-	-	-	1	984	8,817	9,802
Caps - floors - collars	-	-	-	458	1,249	881	2,588
Other options	4	-	-	-	-	-	4
Currency and gold	**88**	**15**	**-**	**5,098**	**4,219**	**4,297**	**13,717**
Currency futures	87	15	-	3,459	3,248	3,894	10,703
Currency options	1	-	-	1,639	971	403	3,014
Other instruments	**302**	**854**	**98**	**1,368**	**4,932**	**888**	**8,442**
Equity and index derivatives	302	854	98	1,143	4,810	517	7,724
Precious metal derivatives	-	-	-	35	-	-	35
Commodities derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-	-	30	71	62	163
Other	-	-	-	160	51	309	520
Subtotal	**394**	**871**	**98**	**10,132**	**24,767**	**54,779**	**91,041**
Forward currency transactions	-	-	-	12,585	1,049	138	13,772
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - ASSETS	**394**	**871**	**98**	**22,717**	**25,816**	**54,917**	**104,813**

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**5**	**-**	**-**	**5,499**	**23,062**	**67,562**	**96,128**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	3	-	-	3
Interest rate swaps	-	-		4,882	19,738	52,847	77,467
Interest rate options	-	-	-	52	2,220	13,431	15,703
Caps - floors - collars	-	-	-	562	1,104	1,284	2,950
Other options	5	-		-	-	-	5
Currency and gold	**-**	**-**	**-**	**6,615**	**3,700**	**3,907**	**14,222**
Currency futures	-	-	-	4,342	3,047	3,569	10,958
Currency options	-	-	-	2,273	653	338	3,264
Other instruments	**655**	**651**	**127**	**1,580**	**4,157**	**1,197**	**8,367**
Equity and index derivatives	655	651	127	1,283	4,012	306	7,034
Precious metal derivatives	-	-		96	2	-	98
Commodities derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-		18	80	52	150
Other	-	-	-	183	63	839	1,085
Subtotal	**660**	**651**	**127**	**13,694**	**30,919**	**72,666**	**118,717**
Forward currency transactions	-	-	-	14,872	1,153	175	16,200
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - ASSETS	**660**	**651**	**127**	**28,566**	**32,072**	**72,841**	**134,917**

▶ Trading derivatives - fair value of liabilities

	31.12.2021						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**2**	**-**	**3,170**	**15,846**	**51,190**	**70,208**
Futures	-	2	-	-	-	-	2
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	2,503	13,294	39,341	55,138
Interest rate options	-	-	-	461	1,350	10,512	12,323
Caps - floors - collars	-	-	-	206	1,202	1,337	2,745
Other options	-	-	-	-	-	-	-
Currency and gold	**98**	**20**	**-**	**3,392**	**3,660**	**3,458**	**10,628**
Currency futures	98	20	-	2,134	2,739	3,112	8,103
Currency options	-	-	-	1,258	921	346	2,525
Other instruments	**553**	**764**	**109**	**1,314**	**1,952**	**604**	**5,296**
Equity and index derivatives	553	764	109	492	1,564	202	3,684
Precious metal derivatives	-	-	-	45	-	-	45
Commodities derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-	-	207	320	37	564
Other	-	-	-	570	68	365	1,003
Subtotal	**651**	**786**	**109**	**7,876**	**21,458**	**55,252**	**86,132**
Forward currency transactions	-	-	-	12,518	1,348	474	14,340
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - LIABILITIES	**651**	**786**	**109**	**20,394**	**22,806**	**55,726**	**100,472**

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**-**	**-**	**4,133**	**22,379**	**69,352**	**95,864**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-		3,634	18,969	52,231	74,834
Interest rate options	-	-	-	180	2,370	15,247	17,797
Caps - floors - collars	-	-	-	317	1,040	1,874	3,231
Other options	-	-		2	-	-	2
Currency and gold	**1**	**-**	**-**	**4,796**	**3,381**	**3,477**	**11,655**
Currency futures	-	-	-	2,871	2,842	3,288	9,001
Currency options	1	-	-	1,925	539	189	2,654
Other instruments	**380**	**729**	**184**	**1,193**	**2,373**	**474**	**5,333**
Equity and index derivatives	380	729	184	658	2,026	241	4,218
Precious metal derivatives	-	-		85	2	-	87
Commodities derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-		195	318	30	543
Other	-	-	-	255	27	203	485
Subtotal	**381**	**729**	**184**	**10,122**	**28,133**	**73,303**	**112,852**
Forward currency transactions	-	-	-	15,319	1,070	207	16,596
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - LIABILITIES	**381**	**729**	**184**	**25,441**	**29,203**	**73,510**	**129,448**

3.2.2 DERIVATIVE TRANSACTIONS: AMOUNT OF COMMITMENTS

€ million	31.12.2021	31.12.2020
Interest rate instruments	**14,110,254**	**12,883,633**
Futures	172,085	115,284
FRAs	1,346,793	2,561,479
Interest rate swaps	11,190,511	8,869,452
Interest rate options	745,739	723,370
Caps - floors - collars	484,506	513,641
Other options	170,620	100,407
Currency and gold	**550,387**	**459,826**
Currency futures	311,015	243,212
Currency options	239,372	216,614
Other instruments	**141,015**	**125,269**
Equity and index derivatives	74,002	65,669
Precious metal derivatives	2,866	3,863
Commodities derivatives	7	4
Credit derivatives	20,958	20,620
Other	43,182	35,113
Subtotal	**14,801,656**	**13,468,728**
Forward currency transactions	2,454,959	1,868,873
TOTAL NOTIONAL AMOUNTS	**17,256,615**	**15,337,601**

3.3 Liquidity and financing risk

(See Chapter on “Risk Management - Balance Sheet Management”)

3.3.1 LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND CLIENTS BY RESIDUAL MATURITY

	31.12.2021					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions (including Crédit Agricole internal transactions)	27,373	11,939	2,660	2,012	2	**43,986**
Loans and receivables due from customers (of which finance leases)	69,964	20,794	61,325	16,301	-	**168,384**
Total	**97,337**	**32,733**	**63,985**	**18,313**	**2**	**212,370**
Impairment	**-**	**-**	**-**	**-**	**-**	**(2,940)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS	**97,337**	**32,733**	**63,985**	**18,313**	**2**	**209,430**

	31.12.2020					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions (including Crédit Agricole internal transactions)	21,449	2,829	1,459	1,362	2	**27,101**
Loans and receivables due from customers (of which finance leases)	49,227	22,143	57,361	15,950	-	**144,681**
Total	**70,676**	**24,972**	**58,820**	**17,312**	**2**	**171,782**
Impairment	**-**	**-**	**-**	**-**	**-**	**(3,041)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS	**70,676**	**24,972**	**58,820**	**17,312**	**2**	**168,741**

3.3.2 DUE TO BANKS AND CLIENTS BY RESIDUAL MATURITY

	31.12.2021					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions (including Crédit Agricole internal transactions)	33,716	7,521	32,780	4,425	-	**78,442**
Due to customers	152,477	6,568	158	375	-	**159,578**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**186,193**	**14,089**	**32,938**	**4,800**	**-**	**238,020**

	31.12.2020					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions (including Crédit Agricole internal transactions)	29,450	3,135	23,561	5,304	-	**61,450**
Due to customers	141,791	6,481	378	434	-	**149,084**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**171,241**	**9,616**	**23,939**	**5,738**	**-**	**210,534**

3.3.3 DEBT SECURITIES AND SUBORDINATED DEBT

	31.12.2021					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
Interest bearing notes	-	-	-	-	-	**-**
Money-market securities	-	-	-	-	-	**-**
Negotiable debt securities	36,768	10,789	-	-	-	**47,557**
Bonds	-	650	2,813	748	-	**4,211**
Other debt securities	-	-	-	-	-	**-**
TOTAL DEBT SECURITIES	**36,768**	**11,439**	**2,813**	**748**	**-**	**51,768**
Subordinated debt						
Dated subordinated debt	7	-	750	2,789	-	**3,546**
Undated subordinated debt	12	-	-	-	521	**533**
Mutual security deposits	-	-	-	-	-	**-**
Participating securities and loans	-	-	-	-	-	**-**
TOTAL SUBORDINATED DEBT	**19**	**-**	**750**	**2,789**	**521**	**4,079**

	31.12.2020					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
Interest bearing notes	-	-	-	-	-	**-**
Money-market securities	-	-	-	-	-	**-**
Negotiable debt securities	28,984	9,105	47	-	-	**38,136**
Bonds	4,015	-	78	-	-	**4,093**
Other debt securities	-	-	-	-	-	**-**
TOTAL DEBT SECURITIES	**32,999**	**9,105**	**125**	**-**	**-**	**42,229**
Subordinated debt						
Dated subordinated debt	-	-	-	3,230	-	**3,230**
Undated subordinated debt	46	-	-	-	1,075	**1,121**
Mutual security deposits	-	-	-	-	-	**-**
Participating securities and loans	-	-	-	-	-	**-**
TOTAL SUBORDINATED DEBT	**46**	**-**	**-**	**3,230**	**1,075**	**4,351**

3.3.4 AT-RISK FINANCIAL GUARANTEES GIVEN BY EXPECTED MATURITY

The amounts presented are the amount of at-risk financial guarantees expected to be called up, i.e. guarantees that have been impaired or are on a watch-list.

	31.12.2021					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Financial guarantees given	2	68	32	4	-	**106**

	31.12.2020					
€ million	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Financial guarantees given	2	67	30	5	-	**104**

The contractual maturities of derivative instruments are presented in Note 3.2 “Market risk”.

3.4 Hedge accounting

(See Note 3.2 “Market risk” and “Risk management - Balance sheet management” chapter of the Crédit Agricole S.A. Universal Registration Document)

3.4.1 FAIR VALUE HEDGES

Fair value hedges modify the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. These hedges transform fixed-rate assets or liabilities into floating-rate items.

Fair value-hedged items mainly include fixed-rate loans, securities, deposits and subordinated debt.

3.4.2 CASH FLOW HEDGES

Cash flow hedges modify the risk inherent in the cash flow variability associated with floating-rate instruments.

Cash flow hedged items mainly consist of floating-rate loans and deposits.

3.4.3 NET INVESTMENT HEDGES IN A FOREIGN OPERATION

Net investment hedges in a foreign operation modify the risk inherent in exchange rate fluctuations associated with foreign-currency equity investments in subsidiaries.

3.4.4 HEDGING DERIVATIVES

	31.12.2021			31.12.2020		
	Market value		Notional amount	Market value		Notional amount
€ million	Positive	Negative		Positive	Negative	
Fair value hedges	**608**	**664**	**90,299**	**523**	**1,504**	**77,104**
Interest rate	322	644	74,097	392	1,156	63,309
Foreign exchange	286	20	16,202	131	348	13,795
Other	-	-	-	-	-	-
Cash flow hedges	**711**	**494**	**52,464**	**952**	**201**	**45,829**
Interest rate	371	169	20,139	758	5	17,175
Foreign exchange	314	310	32,191	179	161	28,526
Other	26	15	134	15	35	128
Hedges of net investments in foreign operations	**4**	**44**	**1,823**	**28**	**4**	**2,206**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**1,323**	**1,202**	**144,586**	**1,503**	**1,709**	**125,139**

3.4.5 HEDGING DERIVATIVES: ANALYSIS BY RESIDUAL MATURITY (NOTIONALS)

The breakdown of notional values of derivative instruments is shown by remaining contractual maturity.

	31.12.2021						
	Exchange-traded			Over-the-counter			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total notional
Interest rate instruments	**50**	**-**	**-**	**84,248**	**8,589**	**1,349**	**94,236**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	50	-	-	84,248	8,589	1,349	94,236
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**9,797**	**662**	**-**	**10,459**
Currency futures	-	-	-	9,797	662	-	10,459
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**134**	**-**	**-**	**134**
Other	-	-	-	134	-	-	134
Subtotal	**50**	**-**	**-**	**94,179**	**9,251**	**1,349**	**104,829**
Forward currency transactions	-	-	-	39,757	-	-	39,757
TOTAL NOTIONAL OF HEDGING DERIVATIVES	**50**	**-**	**-**	**133,936**	**9,251**	**1,349**	**144,586**

	31.12.2020						
	Exchange-traded			Over-the-counter			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total notional
Interest rate instruments	**-**	**-**	**-**	**71,264**	**8,217**	**1,004**	**80,484**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	71,264	8,216	1,004	80,483
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	1	-	1
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**7,370**	**879**	**-**	**8,250**
Currency futures	-	-	-	7,370	879	-	8,250
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**128**	**-**	**-**	**128**
Other	-	-	-	128	-	-	128
Subtotal	**-**	**-**	**-**	**78,762**	**9,096**	**1,004**	**88,862**
Forward currency transactions	-	-	-	36,089	187	-	36,276
TOTAL NOTIONAL OF HEDGING DERIVATIVES	**-**	**-**	**-**	**114,851**	**9,283**	**1,004**	**125,138**

Note 3.2 “Market risk - Derivative instruments: Analysis by remaining maturity” presents the breakdown of market values of hedging derivatives by remaining contractual maturity.

3.4.6 FAIR VALUE HEDGES

Hedging derivatives

	31.12.2021				31.12.2020			
	Carrying amount				Carrying amount			
€ million	Assets	Liabilities	Changes in fair value during the period (of which end of hedges during the period)	Notional Amount	Assets	Liabilities	Changes in fair value during the period (of which end of hedges during the period)	Notional Amount
Fair value hedges	-	-	-	-	-	-	-	-
Regulated markets	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Over-the-counter markets	**547**	**599**	**816**	**84,376**	**401**	**1,500**	**(694)**	**71,422**
Interest rate	261	579	342	68,174	270	1,152	(260)	57,627
Futures	261	579	342	68,174	270	1,152	(260)	57,627
Options	-	-	-	-	-	-	-	-
Foreign exchange	286	20	474	16,202	131	348	(434)	13,795
Futures	286	20	474	16,202	131	348	(434)	13,795
Options	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Fair value microhedging	**547**	**599**	**816**	**84,376**	**401**	**1,500**	**(694)**	**71,422**
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	61	65	(93)	5,923	122	3	40	5,683
TOTAL FAIR VALUE HEDGES	**608**	**664**	**723**	**90,299**	**523**	**1,503**	**(654)**	**77,105**

Changes in the fair value of hedging derivatives are recorded under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

6

Hedged items

Micro-hedging

€ million	31.12.2021				31.12.2020			
	Present hedges		Ended hedges		Present hedges		Ended hedges	
	Carrying amount	of which accumulated fair value hedge adjustments	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be amortised	Fair value hedge adjustments during the period (including termination of hedges during the period)	Carrying amount	of which accumulated fair value hedge adjustments	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be amortised	Fair value hedge adjustments during the period (including termination of hedges during the period)
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**11,793**	**44**	**-**	**(180)**	**10,047**	**189**	**-**	**68**
Interest rate	11,793	44	-	(180)	10,047	189	-	68
Foreign exchange	-	-	-	-	-	-	-	(1)
Other	-	-	-	-	-	-	-	-
Debt instruments at amortised cost	**51,973**	**372**	**(12)**	**(551)**	**42,257**	**914**	**-**	**562**
Interest rate	47,312	385	(12)	(294)	38,682	673	-	268
Foreign exchange	4,661	(13)	-	(257)	3,575	240	-	295
Other	-	-	-	-	-	-	-	-
Total fair value hedges on assets items	**63,766**	**416**	**(12)**	**(732)**	**52,304**	**1,103**	**-**	**630**
Debt instruments at amortised cost	18,824	278	-	84	18,479	198	-	(67)
Interest rate	7,750	62	-	(133)	8,085	199	-	75
Foreign exchange	11,074	216	-	217	10,395	-	-	(142)
Other	-	-	-	-	-	-	-	-
TOTAL FAIR VALUE HEDGES ON LIABILITIES ITEMS	**18,824**	**278**	**-**	**84**	**18,479**	**198**	**-**	**(67)**

The fair value of hedged portions of micro-fair value-hedged financial instruments is recognised under the balance sheet item to which it belongs. Changes in the fair value of the hedged portions of micro-fair value-hedged financial instruments are recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

Macro-hedging

€ million	31.12.2021		31.12.2020	
	Carrying amount	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be adjusted, on ended hedges	Carrying amount	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be adjusted, on ended hedges
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-	-	-
Debt instruments at amortised cost	-	7	-	-
Total - Assets	**-**	**7**	**-**	**-**
Debt instruments at amortised cost	5,920	10	5,683	55
Total - Liabilities	**5,920**	**10**	**5,683**	**55**

The fair value hedged portions of macro-fair value-hedged financial instruments is recognised under “Revaluation adjustment on interest rate-hedged portfolios” in the balance sheet. Changes in the fair value of the hedged portions of macro-fair value-hedged financial instruments are recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

▶ **Results of hedge accounting**

€ million	31.12.2021			31.12.2020		
	Net Income (Total Gains (losses) from hedge accounting)			Net Income (Total Gains (losses) from hedge accounting)		
	Change in fair value of hedging derivatives (including termination of hedges)	Change in fair value of hedged items (including termination of hedges)	Hedge ineffectiveness portion	Change in fair value of hedging derivatives (including termination of hedges)	Change in fair value of hedged items (including termination of hedges)	Hedge ineffectiveness portion
Interest rate	249	(249)	1	(220)	221	1
Foreign exchange	475	(474)	-	(434)	436	2
Other	-	-	-	-	-	-
TOTAL	**724**	**(723)**	**1**	**(654)**	**657**	**3**

3.4.7 CASH FLOW HEDGES AND NET INVESTMENT HEDGES OF A FOREIGN OPERATION

▶ **Hedging derivatives**

€ million	31.12.2021				31.12.2020			
	Carrying amount		Changes in fair value during the period (including termination of hedges during the period)	Notional amount	Carrying amount		Changes in fair value during the period (including termination of hedges during the period)	Notional amount
	Assets	Liabilities			Assets	Liabilities		
Regulated markets	**-**	**-**	**-**	**50**	**-**	**-**	**-**	**-**
Interest rate	-	-	-	50	-	-	-	-
Futures	-	-	-	50	-	-	-	-
Options	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Over-the-counter markets	**342**	**323**	**(1)**	**28,658**	**204**	**182**	**(11)**	**25,288**
Interest rate	4	8	-	620	16	2	(10)	1,707
Futures	4	8	-	620	16	2	(10)	1,706
Options	-	-	-	-	-	-	-	1
Foreign exchange	313	300	(1)	27,904	173	145	(1)	23,454
Futures	313	300	(1)	27,904	173	145	(1)	23,454
Options	-	-	-	-	-	-	-	-
Other	25	15	-	134	15	35	-	128
Total Cash flow micro-hedging	**342**	**323**	**(1)**	**28,708**	**204**	**182**	**(11)**	**25,288**
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	367	161	(547)	19,469	742	3	232	15,468
Cash flow hedges of the foreign exchange exposure of a portfolio of financial instruments	2	10	-	4,287	6	16	-	5,072
Total Cash flow macro-hedging	**369**	**171**	**(547)**	**23,756**	**748**	**19**	**232**	**20,540**
TOTAL CASH FLOW HEDGES	**711**	**494**	**(548)**	**52,464**	**952**	**201**	**221**	**45,828**
Hedges of net investments in foreign operations	**4**	**44**	**(1)**	**1,823**	**28**	**4**	**2**	**2,206**

Changes in the fair value of hedging derivatives are taken to “Gains or losses recognised directly in other comprehensive income” with the exception of the ineffective portion of the hedge, which is recognised under “Net gains or losses on financial instruments at fair value through profit or loss” in the income statement.

Results of hedge accounting

	31.12.2021			31.12.2020		
	Other comprehensive income on items that may be reclassified to profit and loss		Net income (Hedge accounting income or loss)	Other comprehensive income on items that may be reclassified to profit and loss		Net income (Hedge accounting income or loss)
€ million	Effective portion of the hedge recognised during the period	Amount reclassified from other comprehensive income into profit or loss during the period	Hedge ineffectiveness portion	Effective portion of the hedge recognised during the period	Amount reclassified from other comprehensive income into profit or loss during the period	Hedge ineffectiveness portion
Interest rate	(547)	-	-	222	-	-
Foreign exchange	(1)	-	-	(1)	-	-
Other	-	-	-	-	-	-
Total Cash flow hedges	(548)	-	-	221	-	-
Hedges of net investments in foreign operations	**(1)**	**-**	**-**	**2**	**-**	**-**
Total Cash flow hedges and hedges of net investments in foreign operations	**(549)**	**-**	**-**	**223**	**-**	**-**

3.5 Operational risks

(See Chapter on "Risk Factors - Operational Risks").

3.6 Capital management and regulatory ratios

The Finance Department of Crédit Agricole S.A. is tasked with matching capital requirements generated by the Group's overall business with its financial resources in terms of liquidity and capital. It is responsible for overseeing prudential and regulatory ratios (solvency, liquidity, leverage, resolution) for the Crédit Agricole Group and Crédit Agricole S.A. To that end, it sets guidelines and oversees the consistency of the Group's financial management.

Information on capital management and compliance with IAS 1 regulatory ratio requirements is provided in the "Risks and Pillar 3" chapter.

The Group Permanent Control and Risks Department (DRG) is responsible for the management of banking risks in Crédit Agricole CIB. This department reports to the Chief Executive Officer and its brief is to ensure the management and permanent control of credit, financial and operational risks.

A description of these processes and commentary are provided in the "Risk management" chapter of the management report, as permitted under IFRS 7. The accounting breakdowns are presented in the financial statements.

NOTE 4: NOTES ON NET INCOME AND OTHER COMPREHENSIVE INCOME

4.1 Interest income and expenses

€ million	31.12.2021	31.12.2020
On financial assets at amortised cost	**4,569**	**4,997**
Interbank transactions	696	659
Customer transactions	3,702	3,979
Debt securities	171	359
On financial assets recognised at fair value through other comprehensive income	**126**	**143**
Interbank transactions	-	-
Customer transactions	-	-
Debt securities	126	143
Accrued interest receivable on hedging instruments	**224**	**154**
Other interest income	**14**	**16**
INTEREST AND SIMILAR INCOME [1]	**4,933**	**5,310**
On financial liabilities at amortised cost	**(1,283)**	**(1,848)**
Interbank transactions	(816)	(852)
Customer transactions	(348)	(591)
Debt securities	(49)	(279)
Subordinated debt	(70)	(126)
Accrued interest receivable on hedging instruments	**(246)**	**(258)**
Other interest expenses	**(27)**	**(21)**
INTEREST AND SIMILAR EXPENSES	**(1,556)**	**(2,127)**

[1] *Of which €40.4 million in credit-impaired exposures (Stage 3) at 31 December 2021 versus €47 million at 31 December 2020.*

Negative interest amounts recognised as interest income for financial liabilities and as interest expenses for financial assets amounted to €379 million and €250 million, respectively.

4.2 Net fees and commissions

	31.12.2021			31.12.2020		
€ million	Produits	Charges	Net	Produits	Charges	Net
Interbank transactions	31	(40)	(9)	29	(31)	(2)
Customer transactions	604	(119)	485	563	(106)	457
Securities transactions	28	(124)	(96)	52	(125)	(73)
Foreign exchange transactions	11	(37)	(26)	10	(38)	(28)
Derivative instruments and other off-balance sheet items	355	(214)	141	359	(201)	158
Payment instruments and other banking and financial services	308	(144)	164	295	(136)	159
Mutual funds management, fiduciary and similar operations	325	(43)	282	295	(27)	268
TOTAL INCOME AND EXPENSES OF COMMISSIONS	**1,662**	**(721)**	**941**	**1,603**	**(664)**	**939**

4.3 Net gains (losses) on financial instruments at fair value through profit or loss

€ million	31.12.2021	31.12.2020
Dividends received	274	199
Unrealised or realised gains (losses) on assets/liabilities held for trading	350	2,265
Unrealised or realised gains (losses) on equity instruments at fair value through profit or loss	28	7
Unrealised or realised gains (losses) on debt instruments that do not meet the conditions of the "SPPI" test	12	(14)
Net gains (losses) on assets backing unit-linked contracts	-	-
Unrealised or realised gains (losses) on assets/liabilities designated at fair value through profit or loss [1]	102	(602)
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	734	(120)
Gains (losses) from hedge accounting	1	3
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**1,501**	**1,738**

[1] *Excluding spread of issuer credit for liabilities recognised at fair value through profit and loss on option concerned (except as otherwise permitted by the standard to eliminate or reduce a mismatch in the income statement).*

Analysis of net gains (losses) from hedge accounting:

	31.12.2021			31.12.2020		
€ million	Gains	Losses	Net	Gains	Losses	Net
Fair value hedges	**1,264**	**(1,263)**	**1**	**1,088**	**(1,085)**	**3**
Changes in fair value of hedged items attributable to hedged risks	224	(1,039)	(815)	893	(196)	697
Changes in fair value of hedging derivatives (including termination of hedges)	1,040	(224)	816	195	(889)	(694)
Cash flow hedges	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value of hedging derivatives - ineffective portion	-	-	-	-	-	-
Hedges of net investments in foreign operations	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value of hedging derivatives - ineffective portion	-	-	-	-	-	-
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	**120**	**(120)**	**-**	**62**	**(62)**	**-**
Changes in fair value of hedged items	106	(13)	93	11	(51)	(40)
Changes in fair value of hedging derivatives	14	(107)	(93)	51	(11)	40
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value of hedging instrument - ineffective portion	-	-	-	-	-	-
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**1,384**	**(1,383)**	**1**	**1,150**	**(1,147)**	**3**

The breakdown of gains (losses) from hedge accounting by type of relationship (fair value hedges, cash flow hedges,...) is presented in Note 3.4 "Hedge accounting".

4.4 Net gains (losses) on financial instruments at fair value through other comprehensive income

€ million	31.12.2021	31.12.2020
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss [1]	17	-
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	15	35
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME [2]	**32**	**35**

[1] *Excluding the gains or losses on the disposal on impaired debt instruments (Stage 3) mentioned in note 4.9 "Cost of risk".*

[2] *Of which dividends on equity intruments of the fair value through non recyclable equity derecognised issue of €17.5 million on 2020 and any on 2021.*

4.5 Net gains (losses) from the derecognition of financial assets at amortised cost

€ million	31.12.2021	31.12.2020
Debt securities	15	11
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	-	-
Gains arising from the derecognition of financial assets at amortised cost	15	11
Debt securities	(3)	-
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	(4)	(4)
Losses arising from the derecognition of financial assets at amortised cost	(7)	(4)
NET GAINS (LOSSES) ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST [1]	**8**	**7**

[1] *Excl. net gains (losses) from derecognition of credit-impaired instruments (Stage 3) referred to in Note 4.9 "Cost of risk".*

4.6 Net income (expenses) on other activities

€ million	31.12.2021	31.12.2020
Gains (losses) on fixed assets not used in operations	-	-
Other net income from insurance activities	-	-
Change in insurance technical reserves	-	-
Other net income (expense)	54	32
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**54**	**32**

4.7 Operating expenses

€ million	31.12.2021	31.12.2020
Employee expenses	(2,247)	(2,166)
Taxes other than on income or payroll-related and regulatory contributions [1]	(370)	(299)
External services and other operating expenses	(857)	(819)
OPERATING EXPENSES	**(3,474)**	**(3,284)**

[1] *Including €298 million entered under the Single Resolution Fund (SRF) at 31 December 2021 against €235.7 million at 31 December 2020.*

STATUTORY AUDITORS' FEES

Distribution of fees by audit firm and by type of assignment in the financial statements of Crédit Agricole CIB in respect of 2021:

- College of auditors of Crédit Agricole CIB:

	Ernst & Young		PricewaterhouseCoopers		
In million of euros excluding taxes	2021	2020	2021	2020	Total 2021
Independant audit, certification, review of parent company and consolidated financial statements	**5.6**	**5.7**	**5.1**	**5.0**	**10.7**
Issuer	3.4	3.3	2.5	2.5	**5.9**
Fully consolidated subsidiaries	2.2	2.4	2.6	2.5	**4.8**
Non audit services	**1.1**	**1.1**	**2.1**	**3.3**	**3.2**
Issuer	0.7	1.0	0.8	2.3	**1.5**
Fully consolidated subsidiaries	0.4	0.2	1.3	1.0	**1.7**
TOTAL	**6.7**	**6.9**	**7.2**	**8.4**	**13.9**

Total fees paid to EY & Autres, Statutory Auditor of Crédit Agricole CIB, in the consolidated income statement for the financial year amounted to €2.1 million, o/w €1.8 million for certification of the financial statements of Crédit Agricole CIB and its subsidiaries, and €0.3 million for non-audit services (letters of comfort, certificates and findings of agreed-upon procedures).

Total fees paid to PricewaterhouseCoopers Audit, Statutory Auditor of Crédit Agricole CIB, in the consolidated income statement for the financial year amounted to €2.1 million, o/w €1.9 million for certification of the financial statements of Crédit Agricole CIB and its subsidiaries, and €0.2 million for non-audit services (letters of comfort, findings of agreed-upon procedures).

- Other statutory auditors working for other fully-consolidated Crédit Agricole CIB companies.

	Mazars		KPMG		Deloitte		Others		
In thousands of euros excluding taxes	2021	2020	2021	2020	2021	2020	2021 [2]	2020	Total 2021
Independant audit, certification, review of parent company and consolidated financial statements	**2**	**2**	**-**	**-**	**-**	**-**	**357**	**363**	**359**
Non audit services [1]	**-**	**-**	**-**	**-**	**-**	**-**	**14**	**5**	**14**
TOTAL	**2**	**2**	**-**	**-**	**-**	**-**	**371**	**368**	**373**

[1] Non audit services include jobs conducted by thes audit firms at companies for which they serve as statutory auditors.

[2] Of which €136 thousand are related to the firm Auditeurs & Conseils Associés

4.8 Depreciation, amortisation and impairment of property, plant & equipment and intangible assets

€ million	31.12.2021	31.12.2020
Depreciation and amortisation	**(221)**	**(213)**
Property, plant and equipment [1]	(155)	(158)
Intangible assets	(66)	(55)
Impairment losses (reversals)	**-**	**(2)**
Property, plant and equipment	-	-
Intangible assets	-	(2)
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(221)**	**(215)**

[1] Of which €113 million recognised for depreciation on the right-of-use asset (IFRS 16) at 31 december 2021 compared with €115 million at 31 december 2020.

4.9 Cost of risk

€ million	31.12.2021	31.12.2020
Charges net of reversals to impairments on performing assets (Stage 1 or Stage 2) (A)	**(33)**	**(412)**
Stage 1 : Loss allowance measured at an amount equal to 12-month expected credit loss	**(40)**	**(40)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	(2)
Debt instruments at amortised cost	(18)	(29)
Commitments by signature	(22)	(9)
Stage 2 : Loss allowance measured at an amount equal to lifetime expected credit loss	**7**	**(372)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	74	(313)
Commitments by signature	(67)	(59)
Charges net of reversals to impairments on credit-impaired assets (Stage 3) (B)	**(105)**	**(486)**
Stage 3 : Credit-impaired assets	**(105)**	**(486)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	(89)	(535)
Commitments by signature	(16)	49
Other assets (C)	**3**	**(8)**
Risks and expenses (D)	**3**	**(27)**
Charges net of reversals to impairment losses and provisions (E) = (A) + (B) + (C) + (D)	**(133)**	**(933)**
Realised gains (losses) on disposal of impaired debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Losses on non-impaired loans and bad debt	(17)	(28)
Recoveries on loans and receivables written off	102	107
recognised at amortised cost	102	107
recognised in other comprehensive income that may be reclassified to profit or loss	-	-
Discounts on restructured loans	(1)	(17)
Losses on commitments by signature	-	-
Other losses	(12)	(16)
Other gains	7	31
COST OF RISK	**(54)**	**(856)**

4.10 Net gains (losses) on other assets

€ million	31.12.2021	31.12.2020
Property, plant & equipment and intangible assets used in operations	**1**	**3**
Gains on disposals	1	3
Losses on disposals	-	-
Consolidated equity investments [1]	**(40)**	**1**
Gains on disposals	-	10
Losses on disposals	(40)	(9)
Net income (expense) on combinations	**-**	**-**
NET GAINS (LOSSES) ON OTHER ASSETS	**(39)**	**4**

[1] *Impact of the deconsolidation of Crédit Agricole CIB Algeria Bank Spa.*

4.11 Income tax charge

4.11.1 TAX EXPENSE

€ million	31.12.2021	31.12.2020
Current tax charge	(441)	(247)
Deferred tax charge	9	38
TOTAL TAX CHARGE	**(432)**	**(209)**

4.11.2 RECONCILIATION OF THE THEORETICAL TAX RATE WITH THE RECORDED TAX RATE

▶ At 31 December 2021

€ million	Base	Taux d'impôt	Impôt
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	2,125	28.41%	(604)
Impact of permanent differences	-	(1.65)%	35
Impact of different tax rates on foreign subsidiaries	-	(2.07)%	44
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences	-	0.29%	(6)
Impact of tax rate change	-	(0.94)%	20
Impact of reduced tax rate	-	(0.18)%	4
Impact of other items	-	(3.53)%	75
EFFECTIVE TAX RATE AND TAX CHARGE	-	**20.33%**	**(432)**

The theoretical tax rate is the tax rate under ordinary law (including the additional social contribution) of taxable profits in France at 31 December 2021.

▶ At 31 December 2020

€ million	Base	Taux d'impôt	Impôt
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	1,583	32.02%	(507)
Impact of permanent differences	-	(3.17)%	50
Impact of different tax rates on foreign subsidiaries	-	(4.26)%	67
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences	-	(0.15)%	2
Impact of tax rate change	-	(0.11)%	2
Impact of reduced tax rate	-	(0.23)%	4
Impact of other items	-	(10.92)%	173
EFFECTIVE TAX RATE AND TAX CHARGE	-	**13.19%**	**(209)**

The theoretical tax rate is the tax rate under ordinary law (including the additional social contribution) of taxable profits in France at 31 December 2020.

4.12 Changes in other comprehensive income

The income and expenses recorded during the period are presented in detail below.

4.12.1 BREAKDOWN OF OTHER COMPREHENSIVE INCOME NET OF INCOME TAX

€ million	31.12.2021	31.12.2020
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**-**	**-**
Gains and losses on translation adjustments	**570**	**(486)**
Revaluation adjustment of the period	-	-
Reclassified to profit or loss	-	-
Other variations	570	(486)
Other comprehensive income on debt instruments that may be reclassified to profit or loss	**(7)**	**22**
Revaluation adjustment of the period	9	24
Reclassified to profit or loss	(17)	-
Other variations	1	(2)
Gains and losses on hedging derivative instruments	**(549)**	**223**
Revaluation adjustment of the period	(548)	223
Reclassified to profit or loss	-	-
Other variations	(1)	-
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**144**	**(23)**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss on entities from discontinued operations	**-**	**(4)**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**158**	**(268)**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**-**	**-**
Actuarial gains and losses on post-employment benefits	**126**	**(39)**
Other comprehensive income on financial liabilities attributable to changes in own credit risk	**(18)**	**(148)**
Revaluation adjustment of the period	(18)	(151)
Reclassified to reserves	-	3
Other variations	-	-
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	**30**	**(142)**
Revaluation adjustment of the period	24	(148)
Reclassified to reserves	-	13
Other variations	6	(7)
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Income tax related to items that will not be reclassified excluding equity-accounted entities	**(23)**	**85**
Income tax related to items that will not be reclassified on equity-accounted entities	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**115**	**(244)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**273**	**(512)**
Of which Group share	271	(512)
Of which non-controlling interests	2	(1)

4.12.2 CHANGES IN OTHER COMPREHENSIVE INCOME AND RELATED TAX IMPACTS

	31.12.2020				Variation				31.12.2021			
€ million	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share
Other comprehensive income on items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Gains and losses on translation adjustments	(5)	-	(5)	(5)	570	-	570	569	565	-	565	564
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	55	(13)	42	42	(7)	1	(6)	(6)	48	(12)	36	36
Gains and losses on hedging derivative instruments	701	(182)	519	518	(549)	143	(406)	(405)	152	(39)	113	113
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**751**	**(195)**	**556**	**555**	**14**	**144**	**158**	**158**	**765**	**(51)**	**714**	**713**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(4)	-	(4)	(4)	-	-	-	-	(4)	-	(4)	(4)
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	(4)	-	(4)	(4)	-	-	-	-	(4)	-	(4)	(4)
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**743**	**(195)**	**548**	**547**	**14**	**144**	**158**	**158**	**757**	**(51)**	**706**	**705**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains and losses on post-employment benefits	(462)	79	(383)	(378)	126	(23)	103	101	(336)	56	(280)	(277)
Other comprehensive income on financial liabilities attributable to changes in own credit risk	(352)	94	(258)	(258)	(18)	2	(16)	(16)	(370)	96	(274)	(274)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	(49)	5	(44)	(44)	30	(2)	28	28	(19)	3	(16)	(16)
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(863)**	**178**	**(685)**	**(680)**	**138**	**(23)**	**115**	**113**	**(725)**	**155**	**(570)**	**(567)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(863)**	**178**	**(685)**	**(680)**	**138**	**(23)**	**115**	**113**	**(725)**	**155**	**(570)**	**(567)**
OTHER COMPREHENSIVE INCOME	**(120)**	**(17)**	**(137)**	**(133)**	**152**	**121**	**273**	**271**	**32**	**104**	**136**	**138**

€ million	31.12.2019 Gross	31.12.2019 Income tax charges	31.12.2019 Net of income tax	31.12.2019 Net of income tax of which Group Share	Variation Gross	Variation Income tax charges	Variation Net of income tax	Variation Net of income tax of which Group Share	31.12.2020 Gross	31.12.2020 Income tax charges	31.12.2020 Net of income tax	31.12.2020 Net of income tax of which Group Share
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gains and losses on translation adjustments	481	-	481	481	(486)	-	(486)	(486)	(5)	-	(5)	(5)
Gains and losses on available for sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	33	(8)	25	25	22	(5)	17	17	55	(13)	42	42
Gains and losses on hedging derivative instruments	478	(164)	314	313	223	(18)	205	205	701	(182)	519	518
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**992**	**(172)**	**820**	**819**	**(241)**	**(23)**	**(264)**	**(264)**	**751**	**(195)**	**556**	**555**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(4)	-	(4)	(4)	-	-	-	-	(4)	-	(4)	(4)
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	-	-	-	-	(4)	-	(4)	(4)	(4)	-	(4)	(4)
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**988**	**(172)**	**816**	**815**	**(245)**	**(23)**	**(268)**	**(268)**	**743**	**(195)**	**548**	**547**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Actuarial gains and losses on post-employment benefits	(423)	72	(351)	(346)	(39)	7	(32)	(32)	(462)	79	(383)	(378)
Other comprehensive income on financial liabilities attributable to changes in own credit risk	(204)	60	(144)	(145)	(148)	34	(114)	(113)	(352)	94	(258)	(258)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	93	(39)	54	54	(142)	44	(98)	(98)	(49)	5	(44)	(44)
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(534)**	**93**	**(441)**	**(437)**	**(329)**	**85**	**(244)**	**(243)**	**(863)**	**178**	**(685)**	**(680)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities on discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(534)**	**93**	**(441)**	**(437)**	**(329)**	**85**	**(244)**	**(243)**	**(863)**	**178**	**(685)**	**(680)**
OTHER COMPREHENSIVE INCOME	**454**	**(79)**	**375**	**378**	**(574)**	**62**	**(512)**	**(511)**	**(120)**	**(17)**	**(137)**	**(133)**

NOTE 5: SEGMENT REPORTING

DEFINITION OF OPERATING SEGMENTS

Crédit Agricole CIB's business lines are defined in accordance with the definitions applied within the Crédit Agricole S.A. Group.

PRESENTATION OF THE DIVISIONS

The portfolio of activities breaks down into four divisions.

- Corporate banking includes the commercial banking business lines in France and abroad, and the structured finance activities, namely project finance, aircraft finance, shipping finance, acquisition finance and real estate finance;
- Capital Markets and Investment Banking combines capital-market activities (treasury management, foreign exchange, interest-rate derivatives and debt markets) with investment banking (mergers and acquisitions and primary equity advisory);

These two business lines make up almost the whole of Crédit Agricole S.A.'s Corporate and Investment Banking division.

It should be noted that discontinued activities are now included in the Capital Markets and Investment Banking and Corporate Banking businesses.

- Crédit Agricole CIB operates in the Wealth Management segment through its offices in France, Belgium, Switzerland, Luxembourg, Monaco, Spain and the Asia-Pacific region.
- The Corporate Centre activities consist of the various impacts not attributable to the other divisions.

5.1 Segment reporting by operating segment

Transactions between operating segments are carried out at arm's length.

Segment assets are determined based on the items on each operating segment's balance sheet.

	31.12.2021					
€ million	Financing activities	Capital markets and Investment banking	Total Corporate and Investment Banking	Wealth Management	Corporate Center	CACIB
Revenues	**2,758**	**2,340**	**5,098**	**840**	**(25)**	**5,913**
Operating expenses	(1,197)	(1,800)	(2,997)	(694)	(4)	(3,695)
Gross operating income	**1,561**	**540**	**2,101**	**146**	**(29)**	**2,218**
Cost of risk	(76)	27	(49)	(5)	-	(54)
Share of net income of equity-accounted entities	-	-	-	-	-	-
Net gains (losses) on other assets	(40)	-	(40)	1	-	(39)
Change in value of goodwill	-	-	-	-	-	-
Pre-tax income	**1,445**	**567**	**2,012**	**142**	**(29)**	**2,125**
Income tax charge	(312)	(158)	(470)	(18)	56	(432)
Net income from discontinued operations	-	-	-	7	-	7
Net income	**1,133**	**409**	**1,542**	**131**	**27**	**1,700**
Non-controlling interests	(2)	(1)	(3)	12	-	9
NET INCOME GROUP SHARE	**1,135**	**410**	**1,545**	**119**	**27**	**1,691**

	31.12.2021					
€ million	Financing activities	Capital markets and Investment banking	Total Corporate and Investment Banking	Wealth Management	Corporate Center	CACIB
Segment assets	**-**	**-**	**-**	**-**	**-**	**-**
of which investments in equity-accounted entities	-	-	-	-	-	-
of which goodwill	-	-	484	579	-	1,063
TOTAL ASSETS	**-**	**-**	**584,363**	**15,358**	**-**	**599,721**

€ million	31.12.2020					
	Financing activities	Capital markets and Investment banking	Total Corporate and Investment Banking	Wealth Management	Corporate Center	CACIB
Revenues	**2,556**	**2,541**	**5,097**	**820**	**17**	**5,934**
Operating expenses	(1,133)	(1,678)	(2,811)	(685)	(3)	(3,499)
Gross operating income	**1,423**	**863**	**2,286**	**135**	**14**	**2,435**
Cost of risk	(797)	(27)	(824)	(32)	-	(856)
Share of net income of equity-accounted entities	-	-	-	-	-	-
Net gains (losses) on other assets	1	-	1	3	-	4
Change in value of goodwill	-	-	-	-	-	-
Pre-tax income	**627**	**836**	**1,463**	**106**	**14**	**1,583**
Income tax charge [1]	14	(240)	(226)	(12)	29	(209)
Net income from discontinued operations	-	-	-	(25)	-	(25)
Net income	**641**	**596**	**1,237**	**69**	**43**	**1,349**
Non-controlling interests	(2)	-	(2)	10	-	8
NET INCOME GROUP SHARE	**643**	**596**	**1,239**	**59**	**43**	**1,341**

[1] *Incorporates non-recurring tax items over the period.*

€ million	31.12.2020					
	Financing activities	Capital markets and Investment banking	Total Corporate and Investment Banking	Wealth Management	Corporate Center	CACIB
Segment assets	**-**	**-**	**-**	**-**	**-**	**-**
of which investments in equity-accounted entities	-	-	-	-	-	-
of which goodwill	-	-	484	559	-	1,043
TOTAL ASSETS	**-**	**-**	**570,514**	**23,376**	**-**	**593,890**

5.2 Segment reporting by geographic area

The geographic breakdown of segment assets and results is based on the place of accounting recognition of the activities in question.

€ million	31.12.2021				31.12.2020			
	Net income Group Share	Of which Revenues	Segment assets	Of which goodwill	Net income Group Share	Of which Revenues	Segment assets	Of which goodwill
France (including overseas departments and territories)	552	2,409	411,997	474	605	2,515	401,649	474
Other European Union countries	194	674	20,153	142	265	1,157	34,855	142
Other European countries	296	1,089	29,177	436	(5)	437	14,734	417
North America	321	816	56,769	-	216	829	65,250	-
Central and South America	(9)	23	1,128	-	71	104	1,442	-
Africa and Middle East	16	45	2,736	-	22	58	2,896	-
Asia-Pacific (ex. Japan)	229	659	38,238	11	132	628	30,532	10
Japan	92	198	39,523	-	34	205	42,532	-
TOTAL	**1,691**	**5,913**	**599,721**	**1,063**	**1,341**	**5,934**	**593,890**	**1,043**

NOTE 6: NOTES TO THE BALANCE SHEET

6.1 Cash and balances at central banks

€ million	31.12.2021		31.12.2020	
	Assets	Liabilities	Assets	Liabilities
Cash	6	-	7	-
Central banks	65,061	1,224	54,428	837
CARRYING AMOUNT	65,067	1,224	54,435	837

6.2 Financial assets and liabilities at fair value through profit or loss

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

€ million	31.12.2021	31.12.2020
Financial assets held for trading	250,376	284,101
Other financial instruments at fair value through profit or loss	364	314
Equity instruments	300	259
Debt instruments that do not meet the conditions of the “SPPI” test	64	55
Assets backing unit-linked contracts	-	-
Financial assets designated at fair value through profit or loss	-	-
CARRYING AMOUNT	250,740	284,415
Of which lent securities	1	666

FINANCIAL ASSETS HELD FOR TRADING

€ million	31.12.2021	31.12.2020
Equity instruments	**6,832**	**6,221**
Equities and other variable income securities	6,832	6,221
Debt securities	**23,020**	**18,691**
Treasury bills and similar securities	14,907	13,069
Bonds and other fixed income securities	8,089	5,605
Mutual funds	24	17
Loans and receivables	**115,711**	**124,272**
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	820	872
Securities bought under repurchase agreements	114,891	123,400
Pledged securities	-	-
Derivative instruments	**104,813**	**134,917**
CARRYING AMOUNT	250,376	284,101

The securities bought under repurchase agreements consist of the securities that Crédit Agricole CIB is authorised to use as collateral.

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

€ million	31.12.2021	31.12.2020
Equities and other variable income securities	141	124
Non-consolidated equity investments	159	135
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	300	259

DEBT INSTRUMENTS THAT DO NOT MEET THE SPPI CRITERIA

€ million	31.12.2021	31.12.2020
Debt securities	**64**	**50**
Treasury bills and similar securities	-	-
Bonds and other fixed income securities	15	16
Mutual funds	49	34
Loans and receivables	**-**	**5**
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	-	5
Securities bought under repurchase agreements	-	-
Pledged securities	-	-
TOTAL DEBT INSTRUMENTS THAT DO NOT MEET THE CONDITIONS OF THE "SPPI" TEST	**64**	**55**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

€ million	31.12.2021	31.12.2020
Held for trading financial liabilities	221,904	250,169
Financial liabilities designated at fair value through profit or loss	25,683	24,059
CARRYING AMOUNT	**247,587**	**274,228**

FINANCIAL LIABILITIES HELD FOR TRADING

€ million	31.12.2021	31.12.2020
Securities sold short	41,934	37,179
Securities sold under repurchase agreements	79,498	83,540
Debt securities	-	-
Due to customers	-	-
Due to credit institutions	-	-
Derivative instruments	100,472	129,450
CARRYING AMOUNT	**221,904**	**250,169**

Detailed information about held-for-trading derivatives can be found in Note 3.2 on market risk, and particularly information about interest rates.

6.2.1 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS BY OPTION

▶ **Financial liabilities for which changes in the issuer spread are recognised through other comprehensive income that cannot be reclassified**

	31.12.2021				
€ million	Carrying amount	Difference between carrying amount and amount contractually required to pay at maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk	Amount realised at derecognition[1]
Deposits and subordinated liabilities	3,564	176	370	18	-
Debt securities	22,119				
Other financial liabilities	-	-	-	-	-
TOTAL	25,683	176	370	18	-

[1] Gains and losses on derecognition are transferred to consolidated reserves at the date of derecognition of the instrument in question.

	31.12.2020				
€ million	Carrying amount	Difference between carrying amount and amount contractually required to pay at maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk	Amount realised at derecognition[1]
Deposits and subordinated liabilities	3,629	1,207	352	152	(5)
Debt securities	20,191				
Other financial liabilities	-	-	-	-	-
TOTAL	23,820	1,207	352	152	(5)

[1] Gains and losses on derecognition are transferred to consolidated reserves at the date of derecognition of the instrument in question.

In line with IFRS 9, Crédit Agricole CIB calculates changes in fair value attributable to changes in own credit risk using a methodology that allows these changes to be separated from changes in value attributable to changes in market conditions.

BASIS FOR CALCULATING OWN CREDIT RISK

The source taken into account when calculating own credit risk may vary from one issuer to another. At Crédit Agricole CIB, it takes the form of the change in its market refinancing cost according to the type of issue.

CALCULATION OF UNREALISED GAINS/LOSSES DUE TO OWN CREDIT RISK (RECOGNISED IN OTHER COMPREHENSIVE INCOME)

Crédit Agricole CIB's preferred approach is based on the liquidity component of issues. It involves replicating all of the issues through a basket of vanilla loans/borrowings. The changes in fair value attributable to changes in own credit risk for all the issues are the same as for the loans/borrowings. They are equal to the changes in the fair value of the loan/borrowing portfolio caused by changes in the cost of refinancing.

CALCULATION OF REALISED GAINS/LOSSES DUE TO OWN CREDIT RISK (RECOGNISED IN CONSOLIDATED RESERVES)

Crédit Agricole CIB has opted to transfer the change in fair value attributable to changes in own credit risk on settlement to consolidated reserves. A sensitivity-based calculation is carried out in the event of a complete or partial early redemption. This consists of measuring the change in fair value attributable to changes in own credit risk for a given issue as the sum of the credit spread sensitivities multiplied by the change in this spread between the issue date and the redemption date.

6.2.2 FINANCIAL LIABILITIES FOR WHICH CHANGES ARE RECOGNISED IN PROFIT OR LOSS

	31.12.2021			
€ million	Carrying amount	Difference between carrying amount and due on maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk
Deposits and subordinated liabilities	-	-	-	-
Debt securities	-	-	-	-
Other financial liabilities	-	-	-	-
TOTAL	-	-	-	-

	31.12.2020			
€ million	Carrying amount	Difference between carrying amount and due on maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk
Deposits and subordinated liabilities	239	-	-	-
Debt securities	-	-	-	-
Other financial liabilities	-	-	-	-
TOTAL	239	-	-	-

6.3 Hedging derivatives

Detailed information is provided in Note 3.4 “Hedging accounting”.

6.4 Financial assets at fair value through other comprehensive income

	31.12.2021			31.12.2020		
€ million	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	13,081	74	(26)	11,042	192	(137)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	347	74	(92)	269	47	(95)
TOTAL	**13,428**	**148**	**(118)**	**11,311**	**239**	**(232)**

DEBT INSTRUMENTS RECOGNISED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED

	31.12.2021			31.12.2020		
€ million	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	1,862	11	-	2,595	19	-
Bonds and other fixed income securities	11,219	63	(26)	8,447	174	(137)
Total Debt securities	**13,081**	**74**	**(26)**	**11,042**	**193**	**(137)**
Total Loans and receivables	-	-	-	-	-	-
Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**13,081**	**74**	**(26)**	**11,042**	**193**	**(137)**
Income tax charge	-	(12)	-	-	(14)	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)	-	62	(26)	-	179	(137)

EQUITY INSTRUMENTS RECOGNISED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT CANNOT BE RECLASSIFIED

▶ Other comprehensive income on equity instruments that cannot be reclassified

	31.12.2021			31.12.2020		
€ million	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Equities and other variable income securities	39	14	(22)	37	12	(20)
Non-consolidated equity investments	308	60	(70)	232	34	(74)
Total Investments in equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**347**	**74**	**(92)**	**269**	**46**	**(94)**
Income tax charge	-	(6)	8	-	(4)	8
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)	**-**	**68**	**(84)**	**-**	**42**	**(86)**

▶ Equity instruments derecognised during the period

	31.12.2021			31.12.2020		
€ million	Fair value at the date of derecognition	Cumulative gains realised[1]	Cumulative losses realised[1]	Fair value at the date of derecognition	Cumulative gains realised[1]	Cumulative losses realised[1]
Equities and other variable income securities	1	-	-	332	-	(10)
Non-consolidated equity investments	-	-	-	8	-	-
Total Investments in equity instruments	**1**	**-**	**-**	**340**	**-**	**(10)**
Income tax charge	-	-	-	-	-	6
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)	**-**	**-**	**-**	**-**	**-**	**(4)**

[1] Realised gains and losses are transferred to consolidated reserves at the moment of the derecognition of the instrument concerned.

6.5 Financial assets at amortised cost

€ million	31.12.2021	31.12.2020
Loans and receivables due from credit institutions	43,600	26,742
Loans and receivables due from customers [1]	165,830	142,000
Debt securities	29,641	34,890
CARRYING AMOUNT	**239,071**	**203,632**

[1] At 31 December 2021, in line with the economic stimulus measures implemented in response to the Covid-19 crisis, outstanding government-backed loans granted by Crédit Agricole CIB amounted to €1.807 billion.

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

€ million	31.12.2021	31.12.2020
Credit institutions	**-**	**-**
Loans and receivables	42,144	26,068
of which non doubtful current accounts in debit [1]	3,764	3,048
of which non doubtful overnight accounts and advances [1]	1,266	414
Pledged securities	-	-
Securities bought under repurchase agreements	1,842	1,034
Subordinated loans	-	-
Other loans and receivables	-	-
Gross amount	**43,986**	**27,102**
Impairment	(386)	(360)
Net value of loans and receivables due from credit institutions	**43,600**	**26,742**
Total Crédit Agricole internal transactions	**-**	**-**
CARRYING AMOUNT	**43,600**	**26,742**

[1] These transactions are partly comprised of "Net demand loans and deposits with banks" in the Cash Flow Statement.

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

€ million	31.12.2021	31.12.2020
Loans and receivables due from customers	**-**	**-**
Trade receivables	26,392	14,956
Other customer loans	136,664	124,192
Pledged securities	-	-
Securities bought under repurchase agreements	751	1,320
Subordinated loans	46	41
Insurance receivables	-	-
Reinsurance receivables	-	-
Advances in associates current accounts	70	130
Current accounts in debit	4,461	4,041
Gross amount	**168,384**	**144,680**
Impairment	(2,554)	(2,680)
Net value of loans and receivables due from customers	**165,830**	**142,000**
Finance leases	**-**	**-**
Property leasing	-	-
Equipment leases, operating leases and similar transactions	-	-
Gross amount	**-**	**-**
Impairment	-	-
Net value of lease financing operations	**-**	**-**
CARRYING AMOUNT	**165,830**	**142,000**

DEBT SECURITIES

€ million	31.12.2021	31.12.2020
Treasury bills and similar securities	7,524	6,821
Bonds and other fixed income securities	22,145	28,097
Total	**29,669**	**34,918**
Impairment	(28)	(28)
CARRYING AMOUNT	**29,641**	**34,890**

6.6 Transferred assets not derecognised or derecognised with continuing involvement

TRANSFERRED ASSETS NOT FULLY DERECOGNISED AT 31 DECEMBER 2021

	Transferred assets but still fully recognised										
	Transferred assets					Associated liabilities					Assets and associated liabilities
€ million	Carrying amount	of which securitisation (non- deconsolidating)	of which securities sold/bought under repurchase agreements	of which other	Fair value	Carrying amount	of which securitisation (non- deconsolidating)	of which securities sold/bought under repurchase agreements	of which other	Fair value[1]	Net fair value
Financial assets held for trading	**17,526**	**-**	**17,526**	**-**	**17,526**	**17,277**	**-**	**17,277**	**-**	**17,277**	**249**
Equity instruments	326	-	326	-	326	303	-	303	-	303	23
Debt securities	17,200	-	17,200	-	17,200	16,974	-	16,974	-	16,974	226
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Other financial instruments at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	**1,098**	**-**	**1,098**	**-**	**1,098**	**1,090**	**-**	**1,090**	**-**	**1,090**	**8**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-
Debt securities	1,098	-	1,098	-	1,098	1,090	-	1,090	-	1,090	8
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost	**1,945**	**-**	**1,945**	**-**	**1,945**	**1,932**	**-**	**1,932**	**-**	**1,932**	**13**
Debt securities	1,945	-	1,945	-	1,945	1,932	-	1,932	-	1,932	13
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Total Financial assets	**20,569**	**-**	**20,569**	**-**	**20,569**	**20,299**	**-**	**20,299**	**-**	**20,299**	**270**
Finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**20,569**	**-**	**20,569**	**-**	**20,569**	**20,299**	**-**	**20,299**	**-**	**20,299**	**270**

[1] *"When the counterparty (counterparties) to the associated liabilities has (have) recourse only to the transferred assets" (IFRS 7.42D.(d)).*

TRANSFERRED ASSETS NOT FULLY DERECOGNISED AT 31 DECEMBER 2020

	Transferred assets but still fully recognised										
	Transferred assets					Associated liabilities					Assets and associated liabilities
€ million	Carrying amount	of which securitisation (non- deconsolidating)	of which securities sold/bought under repurchase agreements	of which other	Fair value	Carrying amount	of which securitisation (non- deconsolidating)	of which securities sold/bought under repurchase agreements	of which other	Fair value[1]	Net fair value
Financial assets held for trading	**14,130**	**-**	**14,130**	**-**	**14,130**	**13,908**	**-**	**13,908**	**-**	**13,908**	**222**
Equity instruments	3,173	-	3,173	-	3,173	3,123	-	3,123	-	3,123	50
Debt securities	10,957	-	10,957	-	10,957	10,785	-	10,785	-	10,785	172
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Other financial instruments at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	**627**	**-**	**627**	**-**	**627**	**596**	**-**	**596**	**-**	**596**	**31**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-
Debt securities	627	-	627	-	627	596	-	596	-	596	31
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost	**1,178**	**-**	**1,178**	**-**	**1,178**	**1,130**	**-**	**1,130**	**-**	**1,130**	**48**
Debt securities	1,178	-	1,178	-	1,178	1,130	-	1,130	-	1,130	48
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Total Financial assets	**15,935**	**-**	**15,935**	**-**	**15,935**	**15,634**	**-**	**15,634**	**-**	**15,634**	**301**
Finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**15,935**	**-**	**15,935**	**-**	**15,935**	**15,634**	**-**	**15,634**	**-**	**15,634**	**301**

[1] *"When the counterparty (counterparties) to the associated liabilities has (have) recourse only to the transferred assets" (IFRS 7.42D.(d)).*

6.7 Exposure to sovereign risk

The scope of the sovereign exposures recorded includes exposures to government debt, but not local authority debt. Tax debt is excluded from the scope.

The sovereign debt exposure is equal to the exposure net of impairment (carrying amount) presented both gross and net of hedging.

Crédit Agricole CIB's sovereign risk exposure is as follows:

BANKING ACTIVITY

	31.12.2021						
	Exposures Banking activity net of impairment						
	Other financial instruments at fair value through profit or loss						
€ million	Held-for-trading financial assets	Other financial instruments at fair value through profit or loss	Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
Germany	-	-	-	-	-	-	-
Saudi Arabia	5	-	-	1,300	1,305	-	1,305
Argentina	-	-	-	42	42	-	42
Austria	9	-	-	15	24	-	24
Belgium	-	-	-	293	293	-	293
Brazil	12	-	214	122	348	-	348
China	212	-	66	262	540	(1)	539
Egypt	-	-	-	328	328	-	328
Spain	-	-	101	-	101	-	101
United States	2,780	-	45	365	3,190	(1)	3,189
France	-	-	320	1,628	1,948	(14)	1,934
Hong Kong	91	-	-	1,274	1,365	-	1,365
Italy	-	-	-	-	-	-	-
Japan	182	-	440	1,430	2,052	-	2,052
Lebanon	-	-	-	-	-	-	-
Morocco	28	-	-	-	28	-	28
Poland	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-
Ukraine	-	-	-	95	95	-	95
Venezuela	-	-	-	18	18	-	18
Other sovereign countries	917	-	677	4,860	6,454	-	6,454
Total	**4,236**	**-**	**1,863**	**12,032**	**18,131**	**(16)**	**18,115**

	31.12.2020						
	Exposures Banking activity net of impairment						
	Other financial instruments at fair value through profit or loss						
€ million	Held-for-trading financial assets	Other financial instruments at fair value through profit or loss	Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
Saudi Arabia	-	-	-	890	890	-	890
Argentina	-	-	-	44	44	-	44
Austria	119	-	-	16	135	-	135
Belgium	-	-	72	350	422	(4)	418
Brazil	8	-	112	158	278	-	278
China	189	-	34	136	360	(2)	358
Egypt	-	-	-	347	347	-	347
Spain	-	-	1,056	-	1,056	-	1,056
United States	1,721	-	43	655	2,419	(2)	2,417
France	-	-	497	2,486	2,984	(31)	2,953
Hong Kong	58	-	-	880	938	-	938
Italy	-	-	-	-	-	-	-
Japan	-	-	246	1,435	1,681	-	1,681
Lebanon	-	-	-	-	-	-	-
Morocco	-	-	-	-	-	-	-
Poland	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-
Ukraine	-	-	-	78	78	-	78
Venezuela	-	-	-	30	30	-	30
Other sovereign countries	1,087	-	470	3,507	5,062	-	5,062
TOTAL	**3,182**	**-**	**2,530**	**11,012**	**16,724**	**(39)**	**16,685**

6.8 Financial liabilities at amortised cost

€ million	31.12.2021	31.12.2020
Due to credit institutions	78,442	61,450
Due to customers	159,578	149,084
Debt securities	51,768	42,229
CARRYING AMOUNT	289,788	252,763

DUE TO CREDIT INSTITUTIONS

€ million	31.12.2021	31.12.2020
Credit institutions	-	-
Accounts and borrowings	78,318	60,187
of which current accounts in credit [1]	4,848	2,943
of which overnight accounts and deposits [1]	2,021	458
Securities sold under repurchase agreements	124	1,263
CARRYING AMOUNT	78,442	61,450

[1] *These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the Cash Flow Statement.*

DUE TO CUSTOMERS

€ million	31.12.2021	31.12.2020
Current accounts in credit	74,803	72,997
Special savings accounts	151	135
Other amounts due to customers	83,793	75,447
Securities sold under repurchase agreements	831	505
Insurance liabilities	-	-
Reinsurance liabilities	-	-
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	-	-
CARRYING AMOUNT	159,578	149,084

DEBTS REPRESENTED BY A SECURITY

€ million	31.12.2021	31.12.2020
Interest bearing notes	-	-
Money-market securities	-	-
Negotiable debt securities	47,557	38,136
Bonds	4,211	4,093
Other debt securities	-	-
CARRYING AMOUNT	51,768	42,229

6.9 Information on offsetting financial assets and liabilities

OFFSETTING – FINANCIAL ASSETS

	31.12.2021					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
€ million	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Gross amounts of financial liabilities covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives	106,138	-	106,138	74,881	14,443	16,814
Reverse repurchase agreements	247,601	130,117	117,484	9,545	107,939	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**353,739**	**130,117**	**223,622**	**84,426**	**122,382**	**16,814**

At 31 December 2021 and 31 December 2020, derivative instruments were not offset, within the meaning of IAS 32R, but were settled on a daily basis (application of the "settlement to market" mechanism).

	31.12.2020					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
€ million	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Gross amounts of financial liabilities covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives	136,795	-	136,795	94,604	22,784	19,407
Reverse repurchase agreements	192,955	67,200	125,755	7,105	118,650	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**329,750**	**67,200**	**262,550**	**101,709**	**141,434**	**19,407**

The methodology for listing / identifying financial assets and liabilities covered by master netting agreements and other financial instruments received as collateral was reviewed during 2021. Note 2020 has been amended accordingly.

OFFSETTING – FINANCIAL LIABILITIES

	31.12.2021					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
€ million	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Gross amounts of financial liabilities covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives	101,674	-	101,674	74,881	18,272	8,521
Repurchase agreements	210,570	130,117	80,453	9,545	70,908	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**312,244**	**130,117**	**182,127**	**84,426**	**89,180**	**8,521**

At 31 December 2021 and 31 December 2020, derivative instruments were not offset, within the meaning of IAS 32R, but were settled on a daily basis (application of the "settlement to market" mechanism).

€ million	31.12.2020					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements	Gross amounts of financial liabilities covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives	131,157	-	131,157	94,604	24,990	11,563
Repurchase agreements	152,530	67,200	85,330	7,105	78,225	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**283,687**	**67,200**	**216,487**	**101,709**	**103,215**	**11,563**

The methodology for listing / identifying financial assets and liabilities covered by master netting agreements and other financial instruments received as collateral was reviewed during 2021. Note 2020 has been amended accordingly.

6.10 Current and deferred tax assets and liabilities

€ million	31.12.2021	31.12.2020
Current tax	445	353
Deferred tax	657	611
TOTAL CURRENT AND DEFERRED TAX ASSETS	**1,102**	**964**
Current tax	763	687
Deferred tax	1,343	1,436
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**2,106**	**2,123**

Crédit Agricole CIB took into account all of the information available at closing date, including recent positive developments and the residual risks in arbitration proceedings abroad.

Net deferred tax assets and liabilities can be broken down as follows:

€ million	31.12.2021		31.12.2020	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Temporary timing differences - tax	**441**	**1,177**	**368**	**1,080**
Non-deductible accrued expenses	159	-	152	-
Non-deductible for liabilities and charges	280	-	267	-
Other temporary differences	2	1,177	(51)	1,080
Deferred tax on reserves for unrealised gains or losses	**132**	**29**	**146**	**221**
Financial assets at fair value through other comprehensive income	8	17	5	67
Cash flow hedges	1	40	-	186
Gains and losses/Actuarial differences	28	(28)	47	(32)
Other comprehensive income attributable to changes in own credit risk	95	-	94	-
Deferred tax on income and reserves	**84**	**137**	**97**	**135**
TOTAL DEFERRED TAX	**657**	**1,343**	**611**	**1,436**

Deferred tax is netted in the balance sheet by tax consolidation level.

In order to determine the level of deferred tax to be recognised, Crédit Agricole CIB takes into account, for each relevant entity or tax group, the applicable tax regime and the income projections established during the budget procedure.

TAX AUDITS

◆ Crédit Agricole CIB Paris tax audit

After an audit of the financial statements for financial years 2017 and 2018, adjustments were carried out on Crédit Agricole CIB as part of proposed adjustments received in 2021. Crédit Agricole CIB disputes the reasons for the corrected items. A provision was recognised to cover the estimated risk.

◆ CLSA liability guarantee

In 2013, the Crédit Agricole Group sold the CLSA entities to Chinese group CITICS.

Following tax adjustments made to some CLSA entities in India and the Philippines, CITICS invoked the liability guarantee against the Crédit Agricole Group. The corrected items were disputed in a reasoned argument. A provision was recognised to cover the estimated risk.

6.11 Accruals - assets, liabilities and other

ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

€ million	31.12.2021	31.12.2020
Other assets	**23,388**	**31,235**
Inventory accounts and miscellaneous	179	172
Sundry debtors [1]	22,553	30,770
Settlements accounts	656	293
Other insurance assets	-	-
Reinsurer's share of technical reserves	-	-
Accruals and deferred income	**3,272**	**3,554**
Items in course of transmission	2,324	2,759
Adjustment and suspense accounts	11	74
Accrued income	736	590
Prepaid expenses	144	85
Other accruals prepayments and sundry assets	57	46
CARRYING AMOUNT	**26,660**	**34,789**

[1] *including €51 million at 31 December 2021 versus €40 million at 31 December 2020 in respect of the contribution to the Single Resolution Fund in the form of a security deposit. The Single Resolution Fund may use the security deposit to provide funding unconditionally and at any time.*

ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

€ million	31.12.2021	31.12.2020
Other liabilities [1]	**19,995**	**27,600**
Settlements accounts	867	574
Sundry creditors	18,730	26,564
Liabilities related to trading securities	-	-
Other insurance liabilities	-	-
Lease liabilities	398	462
Other Commitments	-	-
Accruals and deferred income	**5,856**	**5,693**
Items in course of transmission [2]	2,323	2,985
Adjustment and suspense accounts	931	583
Unearned income	287	272
Accrued expenses	2,037	1,771
Other accruals prepayments and sundry assets	278	82
Carrying amount	**25,851**	**33,293**

[1] *The amounts indicated include the related debts.*

[2] *Net amounts.*

6.12 Joint ventures and associates

Investments in equity-accounted entities for which objective evidence of impairment was identified were subject to impairment tests using the same methodology as for goodwill, i.e. by using expected future cash flow estimates of the companies in question and by using the valuation inputs described in Note 6.14 "Goodwill".

FINANCIAL INFORMATION OF JOINT VENTURES AND ASSOCIATES

At 31 December 2021,

- the equity-accounted value of joint ventures was nil as it was fully impaired (same situation at 31 December 2020),
- Crédit Agricole CIB holds interests in a single joint venture.

Significant associates and joint ventures are presented in the table of Note 6.12.1. These are the main joint ventures and associates that make up the "equity-accounted value" in the balance sheet.

6.12.1 JOINT VENTURES AND ASSOCIATES: INFORMATION

	31.12.2021						
€ million	% of interest	Equity-accounted value	Share of market value	Dividends paid to group's entities	Share of net income	Share of shareholders' equity [1]	Goodwill
Joint ventures	-	-	-	-	-	-	-
UBAF	47.01%	-	-	-	-	148	-
Net carrying amount of investments in equity-accounted entities (Joint ventures)	-	-	-	-	-	**148**	-
Associates	-	-	-	-	-	-	-
Net carrying amount of investments in equity-accounted entities (Associates)	-	-	-	-	-	-	-
Net carrying amount of investments in equity-accounted entities	-	-	-	-	-	**148**	-

[1] *Equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group.*

	31.12.2020						
€ million	% of interest	Equity-accounted value	Share of market value	Dividends paid to group's entities	Share of net income	Share of shareholders' equity [1]	Goodwill
Joint ventures	-	-	-	-	-	-	-
UBAF	47.01%	-	-	-	-	147	-
Elipso	0.00%	-	-	-	(1)	-	-
Net carrying amount of investments in equity-accounted entities (Joint ventures)	-	-	-	-	**(1)**	**147**	-
Associates	-	-	-	-	-	-	-
Net carrying amount of investments in equity-accounted entities (Associates)	-	-	-	-	-	-	-
Net carrying amount of investments in equity-accounted entities	-	-	-	-	**(1)**	**147**	-

[1] *Equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group.*

6.12.2 JOINT VENTURES AND ASSOCIATES: DETAILED INFORMATION

The condensed financial information of the joint ventures and significant associates of Crédit Agricole CIB is presented below:

	31.12.2021			
€ million	Revenues	Net income	Total assets	Total equity
Joint ventures	-	-	-	-
UBAF	55	11	2,071	315
TOTAL	**55**	**11**	**2,071**	**315**

	31.12.2020			
€ million	Revenues	Net income	Total assets	Total equity
Joint ventures	-	-	-	-
UBAF	54	(29)	1,792	314
Elipso	(2)	(2)	-	-
TOTAL	**52**	**(31)**	**1,792**	**314**

6.12.3 SIGNIFICANT RESTRICTIONS ON JOINT VENTURES AND ASSOCIATES

Crédit Agricole CIB is subject to the following restrictions:

- Regulatory constraints

The joint ventures and associates of Crédit Agricole CIB are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum solvency ratio, leverage ratio and liquidity ratio requirements limit the ability of these entities to pay dividends or transfer assets to Crédit Agricole CIB.

- Legal constraints

Crédit Agricole CIB Group subsidiaries are subject to the legal provisions governing the distribution of capital and distributable profits. These requirements limit their ability to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

6.13 Property, plant & equipment and intangible assets (excluding goodwill)

Operating property, plant and equipment include the right to use fixed assets leased as lessee.

The depreciation and impairments of the property, plant & equipment used in operations are presented including the depreciation of fixed assets leased under operating leases.

€ million	31.12.2020	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31.12.2021
Property, plant & equipment used in operations	-	-	-	-	-	-	-
Gross amount	1,737	-	75	(19)	58	-	**1,851**
Depreciation and impairment	(845)	-	(157)	18	(37)	(1)	**(1,022)**
CARRYING AMOUNT	**892**	**-**	**(82)**	**(1)**	**21**	**(1)**	**829**
Intangible assets	-	-	-	-	-	-	-
Gross amount	717	-	102	(11)	10	-	**818**
Depreciation and impairment	(336)	-	(66)	9	(5)	-	**(398)**
CARRYING AMOUNT	**381**	**-**	**36**	**(2)**	**5**	**-**	**420**

€ million	31.12.2019	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31.12.2020
Property, plant & equipment used in operations	-	-	-	-	-	-	-
Gross amount	1,735	-	71	(30)	(48)	8	1,737
Depreciation and impairment	(736)	-	(158)	20	31	(2)	(845)
CARRYING AMOUNT	**999**	**-**	**(87)**	**(10)**	**(17)**	**7**	**892**
Intangible assets	-	-	-	-	-	-	-
Gross amount [1]	649	-	103	(3)	(8)	(24)	717
Depreciation and impairment	(287)	-	(56)	3	4	-	(336)
CARRYING AMOUNT	**362**	**-**	**47**	**-**	**(4)**	**(24)**	**381**

[1] *Transfer of the goodwill on CACIB Miami to discontinued operations.*

6.14 Goodwill

€ million	31.12.2020 GROSS	31.12.2020 NET	Increases (acquisitions)	Decreases (Divestments)	Impairment losses during the period	Translation adjustments	Other movements	31.12.2021 GROSS	31.12.2021 NET
Corporate and Investment banking	654	484	-	-	-	-	-	654	484
Wealth Management	559	559	-	-	-	20	-	579	579
TOTAL	**1,213**	**1,043**	**-**	**-**	**-**	**20**	**-**	**1,233**	**1,063**

Impairment tests were carried out on goodwill, based on an assessment of the value in use of the CGUs to which it is attached. The determination of value in use was based on the discounting of the CGU's estimated future cash flows resulting from business forecasts projected over three years (2022-2025) for the Group's management purposes.

The following assumptions were used:

- Estimated future cash flows: data forecasts compiled from projected four-year budgets for financial oversight purposes. The economic scenario on which the financial projections are based is one in which the epidemic is gradually brought under control and the successive waves of infection have a gradually diminishing impact on activity. However, the degrees of economic recovery vary widely from country to country, depending on the fiscal and monetary leeway available to support the economy. Growth proved very strong in 2021, after declining in 2020, and the outlook is still solid for 2022. US growth has been resilient, despite the blows caused by the health crisis; US GDP growth is sitting above its 2022 potential and should gradually ease back to this level going forward. Meanwhile, although eurozone activity is unlikely to return to normal until mid-2022, the inflation shock should not alter the scenario in which GDP growth gradually slows while remaining robust.

These forecasts are based on (i) inflation pressures, expected to remain limited over time, then gradually easing in 2022 as supply and demand are progressively rebalanced, (ii) a drop in the savings rate accompanying robust growth in consumer spending and offsetting weaker growth in disposable income, and (iii) investment rooted in robust corporate earnings and demand aided by stimulus plans.

Monetary policies should gradually normalise. The ECB is expected to remain accommodative, keeping up its asset purchases at least until end-2022, then gradually tapering them off, resulting in a limited rise in long rates. The Fed, which is gradually abandoning its monetary easing policy by stopping its asset purchases in 2022 before hiking its rates, is nevertheless expected to maintain the size of its balance sheet.

- Allocated capital: 9.39% of risk-weighted assets for both CGUs (up 51 basis points compared with 31 December 2020), in line with Pillar 2 requirements;
- Growth rate to perpetuity: 2%. Growth rates to perpetuity at 31 December 2021 were identical to those used at 31 December 2020 and reflect the growth forecasts of Crédit Agricole CIB for both CGUs;
- Discount rates: 9.50% (up 10 basis points compared to 31 December 2020) for the Corporate and Investment Banking CGU and 8.50% (identical to 31 December 2020) for the Wealth Management CGU. The calculation of discount rates is based on a rolling monthly average over 12 years.

Impairment tests at 31 December 2021 did not give rise to recognition of goodwill impairment.

Sensitivity tests on goodwill - Group share did not detect any impairment requirements, either for the Corporate and Investment Banking CGU or the Wealth Management CGU:

- a +50 bp increase in the rate of CGU capital allocation would not lead to recognition of impairment;
- a +50 bp increase in the discount rate would not lead to recognition of impairment;
- a +100 bp increase in the cost/income ratio in the terminal year would not lead to recognition of impairment;
- a +10 bp increase in cost of risk in the terminal year would not lead to recognition of impairment.

6.15 Provisions

€ million	31.12.2020	01.01.2021 [2]	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31.12.2021
Home purchase schemes risks	-	-	-	-	-	-	-	-	-
Execution risks of commitments by signature	422	-	-	573	(46)	(468)	30	-	511
Operational risks	28	-	-	28	(7)	-	3	-	52
Employee retirement and similar benefits [1]	561	(40)	-	40	(17)	(6)	10	(137)	411
Litigation	364	-	-	15	(16)	(40)	2	-	325
Equity investments	-	-	-	-	-	-	-	-	-
Restructuring	2	-	-	-	-	(2)	-	-	-
Other risks	49	-	-	9	(4)	(16)	-	-	38
TOTAL	**1,426**	**(40)**	**-**	**665**	**(90)**	**(532)**	**45**	**(137)**	**1,337**

[1] Of which €328 million in respect of post-employment benefits under defined-benefit plans, as detailed in note 7.4, of which €17 million in respect of the long-service award.

[2] Estimated impact of the first-time application of the IFRS IC decision of 21 April 2021 on calculating commitments relating to certain defined-benefit schemes (see Note 1.1 "Applicable standards and comparability").

At 1 January 2020, the impact on employee benefit obligations (pensions) is estimated at €35 million.

€ million	31.12.2019	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31.12.2020
Home purchase schemes risks	-	-	-	-	-	-	-	-
Execution risks of commitments by signature	442	-	490	(14)	(471)	(25)	-	422
Operational risks	1	-	28	-	-	(1)	-	28
Employee retirement and similar benefits [1]	517	-	30	(17)	(17)	(5)	53	561
Litigation	389	-	9	(21)	(11)	(2)	-	364
Equity investments	-	-	-	-	-	-	-	-
Restructuring	3	-	-	-	(1)	-	-	2
Other risks	70	-	20	(3)	(38)	-	-	49
TOTAL	**1,422**	**-**	**577**	**(55)**	**(538)**	**(33)**	**53**	**1,426**

[1] Of which €487 million in respect of post-employment benefits under defined-benefit plans, as detailed in note 7.4, of which €17 million in respect of the long-service award.

INQUIRIES AND REQUESTS FOR INFORMATION FROM REGULATORS

Main inquiries and requests for information from regulators:

◆ Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (i.e. €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Fed) and the New-York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. On October 19, 2018 the two deferred prosecution agreements with USAO and DANY ended at the end of the three year period, Crédit Agricole CIB having complied with all its obligations under the DPAs.

Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole's compliance program is subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indexes

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a statement of objection to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the General Court of the European Union to overturn it.

The Swiss competition authority, COMCO, has conducted an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. This investigation was closed following a settlement procedure under which Crédit Agricole S.A agreed to pay a penalty of CHF 4.465.701 and proceedings costs amounting to CHF 187.012 without any admission of guilt. Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The investigation into certain foreign exchange derivatives (ABS-NDF) has been closed by the KFTC according to a decision notified to Crédit Agricole CIB on 20 December 2018.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is at the preliminary stage that consists in the examination of its admissibility; proceedings are still suspended before the US District Court of New York State. Concerning the "Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB introduced a motion to dismiss the applicants' claim. The US District Court of New York State upheld the motion to dismiss regarding Crédit Agricole S.A. and Crédit Agricole CIB in first instance. On 14 June 2019, the plaintiffs appealed this decision.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. After having granted a first motion to dismiss filed by Crédit Agricole S.A. and Crédit Agricole CIB, the New York Federal District Court, ruling on a new request by the plaintiffs, excluded Crédit Agricole S.A. from the Frontpoint case on the grounds that it had not contributed to the relevant indexes. The Court considered, however, taking into account recent developments in case law, that its jurisdiction could apply to Crédit Agricole CIB, as well as to all the banks that are members of the SIBOR index panel. The allegations contained in the complaint regarding the SIBOR/USD index and the SOR index were also rejected by the court, therefore the index SIBOR/Singapore dollar alone is still taken into account. On 26 December, the plaintiffs filed a new complaint aimed at reintroducing into the scope of the Frontpoint case the alleged manipulations of the SIBOR and SOR indexes that affected the transactions in US dollars. Crédit Agricole CIB, alongside the other defendants, objected to this new complaint at the hearing held on 2 May 2019 before the New York Federal District Court. On July 26, 2019, the Federal Court granted the defendants' motion to dismiss. The plaintiffs filed a notice of appeal on August 26, 2019.

On March 17, 2021, a three-judge panel of the Court of Appeal of the 2nd Circuit reversed the dismissal and returned the case to the District Court. The defendants, including Crédit Agricole CIB, requested the Second Circuit Court to rehear the case "en banc" (all the active judges of the Court). This motion was denied by the Second Circuit Court on May 6, 2021. Another motion was filed on May 12, 2021 by the defendants seeking a stay of this decision remanding the case to the District Court, which was rejected on May 24, 2021. On October 1, 2021, the defendants filed a petition for writ of certiorari with the US Supreme Court, which decided on January 10, 2022 not to hear the case. A new petition, currently under review, has been filed by the defendants before the District Court in an attempt to stop this action.

These class actions are civil actions in which the plaintiffs claim that they are victims of the methods used to set the Euribor, Libor, SIBOR and SOR rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees paid.

Bonds SSA

Several regulators requested information to Crédit Agricole S.A. and to Crédit Agricole CIB for investigations relating to activities of different banks involved in the secondary trading of Bonds SSA (Supranational, Sub-Sovereign and Agencies) denominated in American dollars. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information available. On 20 December 2018, the European Commission issued a Statement of Objections to a number of banks including Crédit Agricole S.A. and Crédit Agricole CIB within its inquiry on a possible infringement of rules of European Competition law in the secondary trading of Bonds SSA denominated in American dollars. Crédit Agricole S.A. and Crédit Agricole CIB became aware of these objections and issued a response on 29 March 2019, followed by an oral hearing on 10-11 July 2019.

In a decision dated 28 April 2021, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €3,993,000 for participating in a cartel in the secondary trading

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market of Bonds SSA denominated in American dollars. On 7 July 2021, Crédit Agricole S.A. and Crédit Agricole CIB appealed this decision to the General Court of the European Union.

Crédit Agricole CIB was included with other banks in a putative consolidated class action before the United States District Court for the Southern District of New York. That action was dismissed on 29 August 2018 on the basis that the plaintiffs failed to allege an injury sufficient to give them standing. However the plaintiffs were given an opportunity to attempt to remedy that defect. The plaintiffs filed an amended complaint on 7 November 2018. Crédit Agricole CIB as well as the other defendants filed motions to dismiss the amended complaint. An order issued on 30 September 2019 dismissed the class action against CACIB for lack of personal jurisdiction and, in a subsequent ruling, the Court held that the plaintiffs had in any event failed to state a claim for violation of US antitrust law. In June 2020, the plaintiffs took an appeal from both of the Court's orders. On 19 July 2021, the Second Circuit Court of Appeals affirmed the district court's holding that plaintiffs had failed to state a claim for violation of US antitrust law. Plaintiffs' deadline to seek further review of the district court's decision from the US Supreme Court passed on 2 December 2021 without plaintiffs taking any further action, and the action therefore is concluded.

On 7 February 2019, a second class action was filed against CACIB and the other defendants named in the class action already pending before the United States District Court for the Southern District of New York. In July 2020, the plaintiffs voluntarily discontinued the action but the claim could be revived.

On 11 July 2018, Crédit Agricole S.A. and Crédit Agricole CIB were notified with other banks of a class action filed in Canada, before the Ontario Superior Court of Justice. Another class action has been filed before the Federal Court of Canada. The action before the Ontario Superior Court of Justice was dismissed on 19 February 2020.

◆ O'Sullivan and Tavera

On November 9, 2017, a group of individuals, (or their families or estates), who claimed to have been injured or killed in attacks in Iraq filed a complaint ("O'Sullivan I") against several banks including Crédit Agricole S.A., and its subsidiary Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB), in US Federal District Court in New York.

On December 29, 2018, the same group of individuals, together with 57 new plaintiffs, filed a separate action ("O'Sullivan II") against the same defendants.

On December 21, 2018, a different group of individuals filed a complaint ("Tavera") against the same defendants.

All three complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants conspired with Iran and its agents to violate US sanctions and engage in transactions with Iranian entities in violation of the US Anti-Terrorism Act and the Justice Against Sponsors of Terrorism Act. Specifically, the complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants processed US dollar transactions on behalf of Iran and Iranian entities in violation of sanctions administered by the US Treasury Department's Office of Foreign Assets Control, which allegedly enabled Iran to fund terrorist organizations that, as is alleged, attacked plaintiffs. The plaintiffs are seeking an unspecified amount of compensatory damages.

On 2 March 2018, Crédit Agricole CIB and other defendants filed a motion to dismiss the "O'Sullivan I" Complaint. On 28 March 2019, the Court granted defendants' motion to dismiss. On 22 April 2019, the plaintiffs filed a motion to amend their complaint. Defendants submitted an opposition to that motion on 20 May 2019 and plaintiffs filed a reply on 10 June 2019. On 25 February 2020 the plaintiffs' motion to amend their complaint was denied and their original complaint dismissed with prejudice.

On 28 May 2020, plaintiffs filed a motion requesting that the court enter a final judgment against defendants to allow an appeal. On 11 June 2020, the defendants filed an opposition to plaintiffs' motion, and plaintiffs filed a reply brief on 18 June 2020. On 29 June 2021, the court denied plaintiffs' motion.

On 28 July 2021, the court stayed the O'Sullivan I action pending a decision in the appeal in a related case, Freeman vs. HSBC Holdings, PLC, No. 19-3970 (2d. Cir.). (The O'Sullivan II and Tavera cases have been previously stayed pending that appeal.)

◆ Intercontinental Exchange, Inc. ("ICE")

On January 15, 2019 a class action ("Putnam Bank") was filed before a federal court in New-York (US District Court Southern District of New-York) against the Intercontinental Exchange, Inc. ("ICE") and a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. This action has been filed by plaintiffs who allege that they have invested in financial instruments indexed to the USD ICE LIBOR. They accuse the banks of having collusively set the index USD ICE LIBOR at artificially low levels since February 2014 and made thus illegal profits.

On January 31, 2019 a similar action ("Livonia") has been filed before the US District Court Southern District of New-York, against a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. On February 1, 2019, these two class actions were consolidated for pre-trial purposes.

On March 4, 2019, a third class action ("Hawaï Sheet Metal Workers retirement funds") was filed against the same banks in the same courtand consolidated with the two previous actions on April 26, 2019.

On July 1st, 2019, the plaintiffs filed a "Consolidated Class Action Complaint". On August 30, 2019, the Defendants filed a motion to dismiss against this consolidated complaint. On March 26, 2020, a judgment granted the Defendants Motion to Dismiss. On April 24, 2020, the plaintiffs filed a notice of appeal.

On November 30, 2020, during briefing of the appeal, Plaintiffs' lawyers informed Defendants that all of the named Plaintiffs wished to withdraw from the case and, on December 1, 2020, Plaintiffs' counsel filed the motion to stay the appeal, which Defendants opposed. The court denied the motion on December 7, 2020 and Plaintiffs filed their reply brief on December 15, 2020.

On December 28, 2020, DYJ Holdings Inc. filed a motion for leave to intervene to replace the currents named plaintiffs. On January 7, 2021, Defendants filed a brief in opposition to DYJ Holdings' motion and also filed a motion to dismiss the appeal.

On April 6, 2021, the court granted DYJ Holdings Inc.'s motion for leave to intervene and denied Defendants' motion to dismiss the appeal.

On June 10, 2021, Defendants submitted a supplemental brief addressing merits issues unique to DJY Holdings.

Oral argument was held on November 29, 2021.

◆ Binding agreements

Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) does not depend on any industrial, commercial or financial patent, license or contract.

6.16 Subordinated debt

€ million	31.12.2021	31.12.2020
Dated subordinated debt	3,546	3,230
Undated subordinated debt	533	1,121
CARRYING AMOUNT	**4,079**	**4,351**

SUBORDINATED DEBT ISSUES

The issue of subordinated debt plays a part in regulatory capital management while helping to fund all Crédit Agricole CIB operations.

The Capital Requirements Regulation and Directive (CRD IV/ CRR) (1) define the conditions under which subordinated instruments qualify as regulatory capital and set out the terms and conditions of progressive disqualification of older instruments that do not meet these requirements .

All subordinated debt issues, whether new or old, are likely to be subject to bail-in in certain circumstances, particularly in the event of resolution of the issuing bank, in accordance with applicable French law transposing the European Bank Recovery and Resolution Directive (BRRD (2)).

Subordinated debt issues differ from senior bonds (preferred or non-preferred) due to their ranking in terms of liquidation (principal and interest) as contractually defined by their subordination clause explicitly referring to applicable French law, depending on the date on which they were issued (subordinated debt issues are junior to senior non-preferred and preferred debt).

6.17 Equity

OWNERSHIP STRUCTURE AT 31 DECEMBER 2021

At 31 December 2021, share and voting right ownership broke down as follows:

Crédit Agricole CIB's shareholders	Number of shares at 31.12.2021	% of the share capital	% of voting rights
Crédit Agricole S.A.	283,037,792	97.33%	97.33%
SACAM développement [1]	6,485,666	2.23%	2.23%
Delfinances [2]	1,277,888	0.44%	0.44%
TOTAL	**290,801,346**	**100%**	**100%**

[1] *Owned by Crédit Agricole Group.*
[2] *Owned by Crédit Agricole S.A. Group.*

At 31 December 2021, Crédit Agricole CIB's share capital stood at €7,851,636,342, composed of 290,801,346 fully paid up ordinary shares each with a par value of €27.

EARNINGS PER SHARE

		31.12.2021	31.12.2020
Net income Group share during the period	*(In million of euros)*	1,691	1,341
Net income attributable to undated deeply subordinated securities	*(In million of euros)*	(308)	(264)
Net income attributable to holders of ordinary shares	*(In million of euros)*	**1,383**	**1,077**
Weighted average number of ordinary shares in circulation during the period		290,801,346	290,801,346
Weighted average number of ordinary shares for calculation of diluted earnings per share		290,801,346	290,801,346
BASIC EARNINGS PER SHARE	*(in euros)*	**4.75**	**3.70**
Basic earnings per share from ongoing activities	*(in euros)*	**4.73**	**3.79**
Basic earnings per share from discontinued operations	*(in euros)*	**0.02**	**(0.09)**
DILUTED EARNINGS PER SHARE (IN EUROS)	*(in euros)*	**4.75**	**3.70**
Diluted earnings per share from ongoing activities	*(in euros)*	**4.73**	**3.79**
Diluted earnings per share from discontinued operations	*(in euros)*	**0.02**	**(0.09)**

Net income attributable to subordinated and deeply subordinated securities is equal to the issue costs and the interest accrued on subordinated and deeply subordinated Additional Tier 1 bond issues. It totalled -€308 million in respect of financial year 2021.

(1) Directive 2013/36/EU of 26 June 2013, as modified, and amended since Directive (EU) 2019/878 of 20 May 2019, including through the Directive (and its transpositions into French law) and Regulation (EU) No. 575/2013 of 26 June 2013 as supplemented and since amended, including through Regulation (EU) 2019/876 of 20 May 2019.
(2) Directive 2014/59/EU of 15 May 2014 as supplemented and since amended, including through Directive (EU) 2019/879 of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

DIVIDENDS

The dividend distribution policy, defined by the Board of Directors, is based on an analysis which takes past dividends, the financial position, and the results of the company into account.

The Board of Directors may advise the General Meeting that part of distributable earnings should be retained or appropriated to one or more reserve accounts. These reserves may receive any appropriations decided by the General Meeting, on a motion by the Board of Directors, in particular with a view to the amortisation or reduction of the capital through the share redemption or buybacks.

The balance of distributable profit is allocated to the shareholders, in proportion to their interest in the Crédit Agricole's share capital for the purpose of dividend distribution.

In addition, the General Meeting may decide to distribute sums deducted from distributable reserves.

However, except in the case of a capital reduction, no distribution may be made to the shareholders when the shareholders' equity is or would become less than the amount of the share capital plus reserves that the laws and regulations in force do not permit to be distributed.

The conditions for dividend payment approved by the General Meeting are set by the latter or failing that, by the Board of Directors, and the payment must occur within the time period prescribed by the laws and regulations in force.

The General Meeting called to approve the financial statements for the year may grant to each shareholder, for all or part of the dividend being distributed, or for the interim dividends, a choice between payment of the final or interim dividends in cash or in shares.

Dividend paid in respect of year	Net amount in € million	Number of share receiving dividend	Dividend per share	
2017	1,236	290,801,346	Total:	4.25
2018	489	290,801,346	Total:	1.68
2019	512	290,801,346	Total:	1.76
2020	1,023	290,801,346	Total:	3.52
2021	553	290,801,346	Total:	1.90

For the 2021 financial year, the Board of Directors made a motion to submit for approval to the General Meeting the distribution of €552,522,557.40.

APPROPRIATION OF INCOME AND DETERMINATION OF 2021 DIVIDEND

The proposed appropriation of net income is set out in the draft resolutions to be presented by the Board of Directors at Crédit Agricole CIB's General Meeting on 3 May 2022. The components of said appropriation are listed below. Net income for the financial year ended 31 December 2021 amounted to €1,359,358,639.19. The Board of Directors has decided to advise the General Meeting to allocate this net income as follows:

Amount of profit at 31/12/2021 (euros)	**1,359,358,639.19**
Attribution of profit at 31/12/2021:	
➔ to the legal reserve for (threshold of 10% of share capital reached)	-
➔ to a special reserve (art. 238 bis AB par. 5 of the French General Tax Code) for	77,988
Balance of profit at 31/12/2021 after attribution to the special reserve	1,359,280,651.19
Amount of profit allocated to retained earnings at 31/12/2021	4,161,940,097.56
Amount of distributable profit	5,521,220,748.75
Dividend payout deducted from the balance of profit at 31/12/2021 after attribution to reserves	552,522,557.40
Attribution of the balance of profit to retained earnings after dividend payout for	806,758,093.79

UNDATED FINANCIAL INSTRUMENTS

Main issues of undated deeply subordinated notes classified in other comprehensive income:

					31.12.2021			
		Amount in currency at 31 December 2020	Partial repurchases and redemptions	Amount in currency at 31 December 2021	Amount in euros at inception rate	Interests paid Group share	Issuance costs net of taxes	Shareholders' equity Group share
Issue date	Currency	In millions of units	In millions of units	In millions of units	In millions of euros	In millions of euros	In millions of euros	In millions of euros
11/16/2015	EUR	1,800	(600)	1,200	1,200	679	-	521
6/9/2016	USD	720	-	720	635	290	-	345
6/27/2018	EUR	500	-	500	500	88	-	412
9/19/2018	EUR	500	-	500	500	73	-	427
2/26/2019	USD	470	-	470	414	69	-	345
6/18/2019	EUR	300	-	300	300	34	-	266
1/27/2020	EUR	500	-	500	500	31	-	469
2/4/2021	USD	-	-	730	609	22	-	587
3/23/2021	EUR	-	-	200	200	5	-	195
3/23/2021	EUR	-	-	400	400	10	-	390
6/23/2021	EUR	-	-	220	220	4	-	216
6/23/2021	EUR	-	-	930	930	16	-	914
6/25/2021	EUR	-	-	1,500	1,500	26	-	1,474
TOTAL		-	-	-	**7,908**	**1,347**	**-**	**6,561**

At 31 December 2020, issues amounted to €4,649 million in progress and -€1,039 million in aggregate remuneration Group share.

The undated subordinated and deeply subordinated debt issues classified in Group share of shareholders' equity break down as follows:

€ million	31.12.2021	31.12.2020
Undated deeply subordinated notes	**-**	**-**
Interests paid accounted as reserves	(308)	(264)
Income tax savings related to interest paid to security holders recognised in net income	88	84

6.18 Non-controlling interests

Non-controlling interests held by Crédit Agricole CIB are insignificant, except the stakes held in Crédit Foncier de Monaco Indosuez Wealth Group and Azqore.

6.19 Breakdown of financial assets and liabilities by contractual maturity

The breakdown of on-balance sheet financial assets and liabilities is shown by contractual maturity date.

The maturities of derivative instruments held for trading and for hedging are their date of contractual maturity.

Equities and other variable-income securities by nature have no contractual maturity and are classified as “Undetermined”.

Revaluation adjustments on interest rate-hedged portfolios are considered to have an indefinite maturity, given the absence of defined maturity.

	31.12.2021					
€ million	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	65,067	-	-	-	-	**65,067**
Financial assets at fair value through profit or loss	105,345	31,093	38,421	68,750	7,131	**250,740**
Hedging derivative Instruments	1,206	59	47	11	-	**1,323**
Financial assets at fair value through other comprehensive income	1,523	2,439	7,906	1,213	347	**13,428**
Financial assets at amortised cost	106,924	38,029	72,911	21,205	2	**239,071**
Revaluation adjustment on interest rate hedged portfolios	7	-	-	-	-	**7**
TOTAL FINANCIAL ASSETS BY MATURITY	**280,072**	**71,620**	**119,285**	**91,179**	**7,480**	**569,636**
Central banks	1,224	-	-	-	-	**1,224**
Financial liabilities at fair value through profit or loss	90,160	19,316	42,863	95,248	-	**247,587**
Hedging derivative Instruments	1,116	47	19	20	-	**1,202**
Financial liabilities at amortised cost	222,961	25,528	35,751	5,548	-	**289,788**
Subordinated debt	19	-	750	2,789	521	**4,079**
Revaluation adjustment on interest rate hedged portfolios	9	-	-	-	-	**9**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**315,489**	**44,891**	**79,383**	**103,605**	**521**	**543,889**

	31.12.2020					
€ million	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	54,434	-	-	-	-	**54,434**
Financial assets at fair value through profit or loss	121,062	29,046	43,014	84,804	6,489	**284,415**
Hedging derivative Instruments	1,347	99	48	9	-	**1,503**
Financial assets at fair value through other comprehensive income	761	2,060	6,845	1,376	269	**11,311**
Financial assets at amortised cost	84,422	32,312	66,603	20,295	-	**203,632**
Revaluation adjustment on interest rate hedged portfolios	-	-	-	-	-	**-**
TOTAL FINANCIAL ASSETS BY MATURITY	**262,026**	**63,517**	**116,510**	**106,484**	**6,758**	**555,295**
Central banks	837	-	-	-	-	**837**
Financial liabilities at fair value through profit or loss	99,007	20,745	47,287	107,188	-	**274,227**
Hedging derivative Instruments	1,455	107	105	42	-	**1,709**
Financial liabilities at amortised cost	204,238	18,721	24,065	5,739	-	**252,763**
Subordinated debt	46	-	-	3,230	1,075	**4,351**
Revaluation adjustment on interest rate hedged portfolios	95	-	-	-	-	**95**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**305,678**	**39,573**	**71,457**	**116,199**	**1,075**	**533,982**

NOTE 7: EMPLOYEE BENEFITS AND OTHER REMUNERATION

7.1 Breakdown of payroll expenses

€ million	31.12.2021	31.12.2020
Salaries [1]	(1,676)	(1,621)
Contributions to defined-contribution plans	(90)	(85)
Contributions to defined-benefit plans	(23)	(25)
Other social security expenses	(369)	(354)
Profit-sharing and incentive plans	(37)	(34)
Payroll-related tax	(52)	(48)
TOTAL EMPLOYEE EXPENSES	**(2,247)**	**(2,167)**

[1] Of which expenses related to share-based payments for €60 million at 31 December 2021 versus €70 million at 31 December 2020.

7.2 Average headcount for the period

Average number of employees	31.12.2021	31.12.2020
France	5,109	4,969
International	6,737	6,589
TOTAL	**11,846**	**11,558**

7.3 Post-employment benefits, defined-contribution plans

There are various mandatory pension plans to which employers contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to provide all the benefits corresponding to the services rendered by staff during the current and previous years. Consequently, Crédit Agricole CIB has no liability in this respect other than contributions payable.

Within Crédit Agricole CIB, there are several compulsory defined-contribution plans, the main ones being Agirc/Arrco, which are French supplementary pension plans, notably supplemented by an “Article 83” type supplementary plan.

7.4 Post-employment benefits, defined-benefit plans

CHANGE IN ACTUARIAL LIABILITIES

	31.12.2021			31.12.2020
€ million	Eurozone	Outside Eurozone	All Zones	All Zones
Actuarial liability at 31.12.2020	**240**	**1,733**	**1,973**	**1,910**
Impact of IFRIC IAS 19 at opening [2]	(40)	-	(40)	-
Translation adjustments	-	107	107	(53)
Cost of service rended during the period	11	31	42	42
Financial cost	1	16	17	21
Employee contributions	-	15	15	14
Benefit plan changes, withdrawals and settlement	(2)	-	(2)	(14)
Changes in scope	-	-	-	-
Benefits paid (mandatory)	(8)	(67)	(75)	(84)
Tax, administratives costs and bonuses	-	-	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions [1]	2	(12)	(10)	31
Actuarial (gains)/losses arising from changes in financial assumptions [1]	(8)	(54)	(62)	106
ACTUARIAL LIABILITY AT CLOSING	**196**	**1,769**	**1,965**	**1,973**

[1] Of which actuarial gains/losses related to experience adjustment.

[2] Concern the impact of the 1st application of the IFRS IC decision of April 21, 2021 relating to the calculation of commitments relating to certain defined benefit plans for an amount of €40 million on January 1, 2021 (see note 1.1 Applicable standards and comparability).

As of January 1, 2020, the impact of actuarial liabilities would have been €35 million.

6

BREAKDOWN OF EXPENSE RECOGNISED IN PROFIT OR LOSS

	31.12.2021			31.12.2020
€ million	Eurozone	Outside Eurozone	All Zones	All Zones
Service cost	10	32	42	30
Income/expenses on net interests	1	1	2	3
IMPACT IN PROFIT AND LOSS AT CLOSING	**11**	**33**	**44**	**33**

BREAKDOWN OF NET INCOME AND OTHER COMPREHENSIVE INCOME THAT CANNOT BE RECLASSIFIED TO PROFIT OR LOSS

	31.12.2021			31.12.2020
€ million	Eurozone	Outside Eurozone	All Zones	All Zones
Revaluation from net liabilities (from net assets)	-	-	-	-
Total amount of actuarial gains or losses recognised in OCI that will not be reclassified to profit and loss at opening 31.12.2020	**144**	**318**	**462**	**423**
Translation adjustments	-	16	16	(13)
Actuarial (gains)/losses on assets	-	(71)	(71)	(84)
Actuarial (gains)/losses arising from changes in demographic assumptions [1]	2	(12)	(10)	31
Actuarial (gains)/losses arising from changes in financial assumptions [1]	(8)	(53)	(61)	105
Adjustment of assets restriction's impact	-	-	-	-
IMPACT IN OCI AT CLOSING	**(6)**	**(120)**	**(126)**	**40**

[1] Of which actuarial gains/losses related to experience adjustment.

CHANGE IN FAIR VALUE OF ASSETS

	31.12.2021			31.12.2020
€ million	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of assets at opening 31.12.2020	**15**	**1,470**	**1,485**	**1,438**
Translation adjustments	-	98	98	(49)
Interests on asset (income)	-	14	14	18
Actuarial gains/(losses)	-	71	71	83
Employer contributions	1	25	26	29
Employee contributions	-	16	16	14
Benefit plan changes, withdrawals and settlement	-	-	-	-
Changes in scope	-	-	-	28
Tax, administratives costs and bonuses	-	(1)	(1)	(1)
Benefits paid out under the benefit plan	-	(66)	(66)	(75)
FAIR VALUE OF ASSETS AT CLOSING	**16**	**1,627**	**1,643**	**1,485**

NET POSITION

	31.12.2021			31.12.2020
€ million	Eurozone	Outside Eurozone	All Zones	All Zones
Closing actuarial liability	**197**	**1,768**	**1,965**	**1,973**
Impact of asset restriction	-	-	-	-
Fair value of assets at end of period	(16)	(1,627)	(1,643)	(1,485)
NET POSITION OF ASSETS/(LIABILITIES) AT END OF PERIOD	**181**	**141**	**322**	**488**

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

	31.12.2021		31.12.2020	
In percentage	Eurozone	Outside Eurozone	Eurozone	Outide Eurozone
Discount rate [1]	0.81%	1.10%	0.46%	0.89%
Actual return on plan assets and on reimbursement rights	5.54%	5.67%	3.43%	7.12%
Expected salary increase rates [2]	0.69%	1.90%	0.59%	1.73%
Rate of change in medical costs	0.00%	0.00%	NA	NA

[1] Discount rates are determined depending on the average period of the commitment, i.e. the arithmetic average of the periods calculated between the date of valuation and the date of payment weighted by staff turnover assumptions. The underlying item is the discount rate based on the iBoxx index.

[2] Depending on the populations in question (managers or non-managers).

INFORMATION ON PLAN ASSETS - ALLOCATION OF ASSETS (1)

	Eurozone			Outside Eurozone			All Zones		
€ million	%	Amount	Of which listed	%	Amount	Of which listed	%	Amount	Of which listed
Equities	3.08%	485	485	25.32%	412,065	412,065	25.11%	412,550	412,550
Bonds	32.61%	5,137	5,137	47.32%	769,982	769,982	47.18%	775,119	775,119
Property/Real estate	2.28%	359		12.02%	195,590		11.93%	195,949	
Other assets	62.04%	9,774		15.34%	249,633		15.79%	259,407	

(1) Of which fair value of reimbursement rights.

Crédit Agricole CIB's employee benefit coverage policy complies with local financing rules in countries where minimum funding is required.

Overall, Crédit Agricole CIB covered **83.61%** of its employee benefit obligations at 31 December 2021.

At 31 December 2021, the sensitivity analysis showed that:

- a 50-basis point increase in discount rates would reduce the commitment by **-7.24%**;
- a 50-basis point decrease in discount rates would increase the commitment by **8.20%.**

7.5 Other employee benefits

Crédit Agricole CIB pays long-service awards.

7.6 Share-based payments

STOCK OPTION PLAN

No new plans were implemented in 2021 by Crédit Agricole CIB.

FREE SHARE ALLOCATION PLAN

No new plans were implemented in 2021 by Crédit Agricole CIB.

CAPITAL INCREASE RESERVED FOR CURRENT AND RETIRED EMPLOYEES OF THE CRÉDIT AGRICOLE GROUP

In 2021, Crédit Agricole S.A. offered current and retired Group employees the option to subscribe for a new capital increase reserved for them. This transaction was launched in 9 of the countries where Crédit Agricole CIB operates.

DEFERRED VARIABLE COMPENSATION PAID IN SHARES OR CASH INDEXED TO THE SHARE PRICE

The deferred variable compensation plans implemented by the Crédit Agricole CIB Group in respect of 2021 are settled partially in cash indexed to the Crédit Agricole S.A. share price.

These plans are subject to permanent vesting conditions (continued employment, performance and specific provisions for identified staff, relating to the professional behavior of beneficiaries) and their payment is deferred in equal amounts over three, four or five years.

The expense related to these plans is recognised in employee expenses. It is staggered on a straight-line basis over the vesting period to reflect continued employment, and a liability is recorded in employee expenses, the amount of which is subject to periodic revaluation through profit or loss until the settlement date, depending on the change in the Crédit Agricole S.A. share price and the vesting conditions (continued employment and performance conditions).

7.7 Remuneration of senior managers

Senior managers of Crédit Agricole CIB include all members of the Executive Committee of Crédit Agricole CIB.

The composition of the Executive Committee is detailed in the Corporate Governance chapter of this Universal Registration Document.

The compensation paid and benefits granted to the members of the Executive Committee in 2021 were as follows:

- short-term benefits: €16.6 million for fixed and variable compensation (o/w €1.6 million paid in share-indexed instruments), including social security expenses and benefits in kind;
- post-employment benefits at 31 December 2021: €7.6 million for end-of-career benefit commitments and the supplementary pension plan set up for the Group's Senior Executive Officers;
- other long-term benefits: the amount granted for long-service awards was not material;
- other share-based payment: not applicable.

NOTE 8: LEASES

8.1 Leases for which the Group is the lessee

"Operating property, plant & equipment" in the balance sheet is made up of owned assets and leased assets, which do not meet the definition of investment property.

€ million	31.12.2021	31.12.2020
Owned property, plant & equipment	453	456
Right-of-use on lease contracts	376	436
Total Property, plant & equipment used in operations	**829**	**892**

Crédit Agricole CIB is also a lessee in 1 to 3 year leases of computer equipment (photocopiers, computers, etc.). These contracts are of low value and/or short-term. Crédit Agricole CIB has chosen to apply the exemptions stipulated by IFRS 16 and to not recognise the right-of-use assets and lease liabilities on these leases in the balance sheet.

CHANGE IN RIGHT-OF-USE ASSETS

Crédit Agricole CIB leases multiple assets, including offices and computer equipment.

Information relating to leases in which Crédit Agricole CIB is a lessee is provided below:

€ million	31.12.2020	Change in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Other movements	31.12.2021
Property/Real estate	-	-	-	-	-	-	-
Gross amount	619	-	42	(10)	17	-	668
Depreciation and impairment	(193)	-	(109)	8	(8)	-	(302)
Total Property/Real estate	**426**	-	**(67)**	**(2)**	**9**	-	**366**
Equipment	-	-	-	-	-	-	-
Gross amount	19	-	6	(2)	-	-	23
Depreciation and impairment	(9)	-	(6)	2	-	-	(13)
Total Equipment	**10**	-	-	-	-	-	**10**
Total Right-of-use	**436**	-	**(67)**	**(2)**	**9**	-	**376**

€ million	31.12.2019	Change in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Other movements	31.12.2020
Property/Real estate	-	-	-	-	-	-	-
Gross amount	613	-	38	(23)	(18)	9	619
Depreciation and impairment	(105)	-	(109)	15	6	-	(193)
Total Property/Real estate	**508**	-	**(71)**	**(8)**	**(12)**	**9**	**426**
Equipment	-	-	-	-	-	-	-
Gross amount	19	-	3	(2)	(1)	-	19
Depreciation and impairment	(5)	-	(6)	2	-	-	(9)
Total Equipment	**14**	-	**(3)**	-	**(1)**	-	**10**
Total Right-of-use	**522**	-	**(74)**	**(8)**	**(13)**	**9**	**436**

SCHEDULE OF LEASE LIABILITIES

	31.12.2021			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total Lease liabilities
Lease liabilities	**132**	209	58	399

	31.12.2020			
€ million	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total Lease liabilities
Lease liabilities	**106**	280	77	463

BREAKDOWN OF LEASE EXPENSES AND INCOME

€ million	31.12.2021	31.12.2020
Interest expense on lease liabilities	(6)	(7)
Total Interest and similar expenses (Revenues)	**(6)**	**(7)**
Expense relating to short-term leases	(3)	-
Expense relating to leases of low-value assets	(9)	(3)
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Income from subleasing right-of-use assets	-	-
Gains or losses arising from leaseback transactions	-	-
Gains or losses arising from lease modifications	-	-
Total Operating expenses	**(12)**	**(3)**
Depreciation for right-of-use	(113)	(115)
Total Depreciation and amortisation of property, plant & equipment	**(113)**	**(115)**
Total Expense and income on lease contracts	**(131)**	**(125)**

AMOUNTS OF CASH FLOWS FOR THE PERIOD

€ million	31.12.2021	31.12.2020
Total Cash outflow for leases	**(144)**	(134)

8.2 Leases for which the Group is the lessor

Crédit Agricole CIB offers its clients leasing activities in the form of leases, leases with purchase option, finance leases and long-term leases. Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Other leases are classified as operating leases.

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

LEASE INCOME

€ million	31.12.2021	31.12.2020
Finance leases	**-**	**-**
Selling profit or loss	-	-
Finance income on the net investment in the lease	-	-
Income relating to variable lease payments	-	-
Operating leases	**11**	**8**
Lease income	11	8

NOTE 9: COMMITMENTS GIVEN AND RECEIVED AND OTHER GUARANTEES

Commitments given and received and other guarantees include discontinued operations.

COMMITMENTS GIVEN AND RECEIVED

€ million	31.12.2021	31.12.2020
Commitments given	**202,911**	**177,623**
Financing commitments	**120,858**	**119,931**
Commitments given to credit institutions	6,224	8,396
Commitments given to customers	114,634	111,535
Confirmed credit lines	100,479	101,372
Documentary credits	4,887	3,902
Other confirmed credit lines	95,592	97,470
Other commitments given to customers	14,155	10,163
Guarantee commitments	**77,051**	**53,205**
Credit institutions	9,420	6,674
Confirmed documentary credit lines	4,119	2,795
Other	5,301	3,879
Customers	67,631	46,531
Property guarantees	2,154	1,954
Other customer guarantees	65,477	44,577
Securities commitments	**5,002**	**4,487**
Securities to be delivered	5,002	4,487
Commitments received	**188,505**	**169,051**
Financing commitments	**763**	**1,212**
Commitments received from credit institutions	644	544
Commitments received from customers	119	668
Guarantee commitments	**184,042**	**163,744**
Commitments received from credit institutions	16,531	5,879
Commitments received from customers	167,511	157,865
Guarantees received from government bodies or similar institutions [1]	29,236	25,644
Other guarantees received	138,275	132,221
Securities commitments	**3,700**	**4,095**
Securities to be received	3,700	4,095

[1] At 31 December 2021, under the economic stimulus plan implemented in response to the Covid-19 health crisis, Crédit Agricole CIB granted government-backed loans for which it received guarantee commitments from the French State in the amount of €1.792 billion.

FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS COLLATERAL

€ million	31.12.2021	31.12.2020
Carrying amount of financial assets provided as collateral (including transferred assets)	-	-
Securities and receivables provided as collateral for the refinancing structures (Banque de France, CRH, etc.)	59,881	55,491
Securities lent	1	666
Security deposits on market transactions	19,678	25,574
Other security deposits	-	-
Securities sold under repurchase agreements	80,453	85,329
Total carrying amount of financial assets provided as collateral	**160,013**	**167,060**
Carrying amount of financial assets received in garantee	-	-
Other security deposits	-	-
Fair value of instruments received as reusable and reused collateral	-	-
Securities borrowed	11	7
Secutities bought under repurchase agreements	136,665	141,172
Securities sold short	41,922	37,172
Total fair value of instruments received as reusable and reused collateral	**178,598**	**178,352**

RECEIVABLES PLEDGED AS COLLATERAL

In 2021, Crédit Agricole CIB deposited €5.93 billion in receivables as collateral either directly or as part of the Crédit Agricole Group's contribution to various refinancing mechanisms, compared with €4.88 billion in 2020. Crédit Agricole CIB retains all the risks and rewards associated with these receivables.

In addition, Crédit Agricole CIB deposited:

- €2.49 billion in receivables with the United States Federal Reserve (FED) versus €3.75 billion in 2020;
- €0.74 billion in notes issued by ESNI (European Secured Notes Issuer), a French-law securitisation company created by five banks including the Crédit Agricole Group.

GUARANTEES HELD

Guarantees and enhancements held mainly consist of mortgages, pledges and guarantees received, regardless of the quality of the assets guaranteed.

The guarantees held by the Crédit Agricole CIB Group that it is authorised to sell or use as collateral amounted to €178 billion at 31 December 2021 versus €178 billion at 31 December 2020. They are primarily made up of repos.

Crédit Agricole CIB policy is to sell seized collateral as soon as possible. Crédit Agricole CIB had no such assets either at 31 December 2021 or at 31 December 2020.

NOTE 10: RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Principles applied by Crédit Agricole CIB

Instruments are only reclassified under exceptional circumstances following a decision by Crédit Agricole CIB's Executive Management as a result of internal or external changes that are material to Crédit Agricole CIB's activity.

Reclassifications by Crédit Agricole CIB

In 2021, the Crédit Agricole CIB Group did not carry out any reclassifications within the meaning of paragraph 4.4.1 of IFRS 9.

NOTE 11: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants on the valuation date.

Fair value is defined based on the exit price.

The fair values given below are estimates made on the reporting date using observable market data wherever possible. They are liable to change in the future due to changes in market conditions or other factors.

The calculations are best estimates. They are based on a number of assumptions. Market participants are assumed to act in their best economic interests.

As these models contain uncertainties, the fair values used may not be realised when the financial instruments in question are actually sold or if they are immediately settled.

The fair value hierarchy for financial assets and liabilities is broken down according to the observability of the inputs used for their valuation in line with the principles defined by IFRS 13.

Fair value hierarchy Level 1 applies to the fair value of financial assets and liabilities listed on active markets.

Fair value hierarchy Level 2 applies to the fair value of financial assets and liabilities with observable inputs. This includes market data relating to interest rate risk or credit risk where they can be measured from observable Credit Default Swap (CDS) spread quotes. Repurchase agreements listed on an active market, based on the underlying and the maturity of the transaction, may also be included in level 2 of the hierarchy, as are financial assets and liabilities with a demand component whose fair value is equal to the unadjusted amortised cost.

Level 3 of the hierarchy indicates the fair value of financial assets and liabilities for which there is no observable data or for which some inputs can be remeasured with internal models using historical data. These are mainly parameters related to credit risk or prepayment risk.

In some cases, market values may be close to the carrying amounts. This applies primarily to:

- floating-rate assets or liabilities whose fair value is not significantly affected by changes in interest rates, as their rates are frequently adjusted to market rates;
- short-term assets or liabilities whose redemption value is considered to be close to market value;
- instruments traded on a regulated market (e.g. regulated savings) whose prices are set by the public authorities;
- demand assets or liabilities;
- transactions for which there are no reliable observable data.

11.1 Fair value of financial assets and liabilities recognised at amortised cost

The amounts presented below include accruals and prepayments and are net of impairment.

FINANCIAL ASSETS RECOGNISED AT AMORTISED COST AND MEASURED AT FAIR VALUE ON THE BALANCE SHEET

€ million	Value at 31.12.2021	Estimated fair value at 31.12.2021	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets not measured at fair value on balance sheet	-	-	-	-	-
Loans and receivables	**209,430**	**209,278**	**-**	**48,564**	**160,714**
Loans and receivables due from credit institutions	**43,600**	**43,607**	**-**	**43,486**	**121**
Current accounts and overnight loans	5,030	5,030	-	5,030	-
Accounts and long-term loans	36,728	36,735	-	36,614	121
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	1,842	1,842	-	1,842	-
Subordinated loans	-	-	-	-	-
Other loans and receivables	-	-	-	-	-
Loans and receivables due from customers	**165,830**	**165,671**	**-**	**5,078**	**160,593**
Trade receivables	26,372	26,374	-	-	26,374
Other customer loans	134,209	134,055	-	-	134,055
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	751	751	-	714	37
Subordinated loans	40	40	-	-	40
Advances in associates' current accounts	71	71	-	-	71
Current accounts in debit	4,387	4,380	-	4,364	16
Debt securities	**29,641**	**29,655**	**15,677**	**1,484**	**12,494**
Treasury bills and similar securities	7,523	7,523	7,296	227	-
Bonds and other fixed income securities	22,118	22,132	8,381	1,257	12,494
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**239,071**	**238,933**	**15,677**	**50,048**	**173,208**

€ million	Value at 31.12.2020	Estimated fair value at 31.12.2020	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets not measured at fair value on balance sheet	-	-	-	-	-
Loans and receivables	**168,742**	**168,902**	**-**	**31,605**	**137,297**
Loans and receivables due from credit institutions	**26,742**	**26,745**	**-**	**26,615**	**130**
Current accounts and overnight loans	3,462	3,462	-	3,447	15
Accounts and long-term loans	22,246	22,250	-	22,135	115
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	1,034	1,033	-	1,033	-
Subordinated loans	-	-	-	-	-
Other loans and receivables	-	-	-	-	-
Loans and receivables due from customers	**142,000**	**142,157**	**-**	**4,990**	**137,167**
Trade receivables	14,931	14,939	-	-	14,939
Other customer loans	121,621	121,770	-	1	121,769
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	1,320	1,320	-	1,067	253
Subordinated loans	40	40	-	-	40
Advances in associates' current accounts	130	130	-	-	130
Current accounts in debit	3,958	3,958	-	3,922	36
Debt securities	**34,890**	**34,932**	**15,587**	**3,086**	**16,259**
Treasury bills and similar securities	6,819	6,838	6,726	112	-
Bonds and other fixed income securities	28,071	28,094	8,861	2,974	16,259
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**203,632**	**203,834**	**15,587**	**34,691**	**153,556**

FINANCIAL LIABILITIES RECOGNISED AT AMORTISED COST AND MEASURED AT FAIR VALUE ON THE BALANCE SHEET

€ million	Value at 31.12.2021	Estimated fair value at 31.12.2021	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities not measured at fair value on balance sheet	-	-	-	-	-
Due to credit institutions	**78,442**	**78,442**	**-**	**78,442**	**-**
Current accounts and overnight loans	6,869	6,869	-	6,869	-
Accounts and term deposits	71,449	71,449	-	71,449	-
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	124	124	-	124	-
Due to customers	**159,578**	**159,578**	**-**	**159,575**	**3**
Current accounts in credit	74,803	74,803	-	74,803	-
Special savings accounts	151	151	-	151	-
Other amounts due to customers	83,793	83,793	-	83,790	3
Securities sold under repurchase agreements	831	831	-	831	-
Debt securities	**51,768**	**51,769**	**-**	**51,769**	**-**
Subordinated debt	**4,079**	**4,079**	**-**	**4,079**	**-**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**293,867**	**293,868**	**-**	**293,865**	**3**

€ million	Value at 31.12.2020	Estimated fair value at 31.12.2020	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities not measured at fair value on balance sheet	-	-	-	-	-
Due to credit institutions	**61,450**	**61,450**	**-**	**61,336**	**114**
Current accounts and overnight loans	3,402	3,402	-	3,402	-
Accounts and term deposits	56,785	56,785	-	56,785	-
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	1,263	1,263	-	1,149	114
Due to customers	**149,084**	**149,084**	**-**	**149,080**	**4**
Current accounts in credit	72,997	72,997	-	72,997	-
Special savings accounts	135	135	-	135	-
Other amounts due to customers	75,447	75,447	-	75,443	4
Securities sold under repurchase agreements	505	505	-	505	-
Debt securities	**42,229**	**42,221**	**-**	**42,221**	**-**
Subordinated debt	**4,351**	**4,351**	**-**	**4,351**	**-**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**257,114**	**257,106**	**-**	**256,988**	**118**

11.2 Information about financial instruments measured at fair value

Market transactions are measured by management information systems and checked by a team that reports to the Risk Division and is independent from market operators.

Valuations are made using:

- prices or inputs obtained from independent sources and/or validated by the Market Risk Department using all the sources available, such as pricing service vendors, market consensus data and brokers;
- models validated by the Market Risk Department's quantitative teams.

The valuation produced for each instrument is a mid-market valuation, which does not take into account the direction of the trade, the bank's aggregate exposure, market liquidity or counterparty quality. Adjustments are then made to the market valuations to incorporate these factors, and the potential uncertainties inherent in the models or inputs used.

The main types of valuation adjustments are as follows:

Mark-to-market adjustments: these adjustments aim to adjust for the potential variance between the mid-market valuation of an instrument arrived at using internal valuation models and the associated inputs and the valuation determined from external sources or market consensus data. These adjustments may be positive or negative;

Bid/ask adjustments: these adjustments aim to incorporate the bid/ask spread in the valuation of a given instrument to reflect the price at which the position could be reversed. These adjustments are always negative;

Adjustments for uncertainty: these adjustments account for a risk premium as considered by any market participant. These adjustments are always negative:

- adjustments for input uncertainty aim to incorporate any uncertainties that may exist in relation to one or more of the inputs used in the valuation of an instrument;
- adjustments for model uncertainty aim to incorporate any uncertainties that may exist in relation to one or more of the inputs used in the valuation of an instrument.

Furthermore, and in accordance with IFRS 13 "Fair value measurement", Crédit Agricole CIB (CACIB) includes, in the calculation of the fair value of its OTC derivatives, various adjustments relating to:

- default or credit quality risk (Credit Valuation Adjustment/Debit Valuation Adjustment)
- future financing costs and gains (Funding Valuation Adjustment)
- liquidity risk associated with collateral (Liquidity Valuation Adjustment).

CVA ADJUSTMENT

The Credit Valuation Adjustment (CVA) is a mark-to-market adjustment that aims to price the market value of our counterparties' default risk (risk that amounts due to us will not be repaid if counterparties default or their creditworthiness deteriorates) into the value of OTC derivatives. This adjustment is calculated for each counterparty based on the trading portfolio's positive future exposure profiles (taking into account any netting or collateral agreements, where applicable) weighted by the probability of default and the losses incurred in the event of default.

The methodology used maximises the use of inputs/market price (the probability of default is preferably directly deduced from listed CDS, listed CDS proxies, or other credit instruments if they are deemed to be sufficiently liquid). This adjustment is always negative and reduces the fair value of the OTC derivative assets held in the portfolio.

DVA ADJUSTMENT

The Debit Valuation Adjustment (DVA) is a mark-to-market adjustment that aims to price the market value of our own default risk (potential losses to which CACIB may expose its counterparties if it defaults or its creditworthiness deteriorates) into the value of fully collateralised OTC derivatives. This adjustment is calculated for each type of collateral contract based on the trading portfolio's negative future exposure profiles weighted by the probability of default (of CASA) and the losses incurred in the event of default.

The methodology used maximises the use of inputs/market price (use of CASA CDS to determine the probability of default). This adjustment is always positive and reduces the fair value of the OTC derivative liabilities held in the portfolio.

FVA ADJUSTMENT

The Funding Valuation Adjustment (FVA) is a mark-to-market adjustment that aims to price the additional future funding costs and benefits based on the cost of Asset & Liability Management (ALM) funding into the fair value of OTC derivatives that are not collateralised, or not fully collateralised. This adjustment is calculated for each counterparty based on the trading portfolio's positive future exposure profiles (taking into account any netting or collateral agreements, where applicable) weighted by ALM funding spreads.

For "cleared" derivatives, an FVA adjustment known as an IMVA (Initial Margin Value Adjustment) is calculated to take into account the future funding costs and benefits for the initial margins to be posted with the main derivative clearing houses until the portfolio matures.

LVA ADJUSTMENT

The LVA (Liquidity Valuation Adjustment) is a positive or negative valuation adjustment aimed at pricing in both the potential absence of collateral payment for counterparties with a CSA (Credit Support Annex), and the non-standard remuneration from CSAs.

The LVA therefore factors in the gain or loss resulting from the additional liquidity costs. It is calculated for OTC derivatives with a CSA.

BREAKDOWN OF FINANCIAL INSTRUMENTS AT FAIR VALUE BY VALUATION MODEL

▶ Financial assets measured at fair value

€ million	31.12.2021	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets held for trading	**250,376**	**27,412**	**215,732**	**7,232**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	820	-	1	819
Securities bought under repurchase agreements	114,891	-	112,364	2,527
Pledged securities	-	-	-	-
Held for trading securities	29,852	27,307	2,159	386
Treasury bills and similar securities	14,907	13,829	1,078	-
Bonds and other fixed income securities	8,089	6,796	1,080	213
Mutual funds	24	24	-	-
Equities and other variable income securities	6,832	6,658	1	173
Derivative instruments	104,813	105	101,208	3,500
Other financial instruments at fair value through profit or loss	**364**	**140**	**35**	**189**
Equity instruments at fair value through profit or loss	**300**	**110**	**16**	**174**
Equities and other variable income securities	141	110	16	15
Non-consolidated equity investments	159	-	-	159
Debt instruments that do not meet the conditions of the “SPPI” test	**64**	**30**	**19**	**15**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	64	30	19	15
Treasury bills and similar securities	-	-	-	-
Bonds and other fixed income securities	15	-	-	15
Mutual funds	49	30	19	-
Financial assets recognized at fair value through equity	**-**	**-**	**-**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	-	-	-	-
Treasury bills and similar securities	-	-	-	-
Bonds and other fixed income securities	-	-	-	-
Financial assets at fair value through other comprehensive income	**13,428**	**11,522**	**1,660**	**246**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**347**	**101**	**-**	**246**
Equities and other variable income securities	39	-	-	39
Non-consolidated equity investments	308	101	-	207
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**13,081**	**11,421**	**1,660**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	13,081	11,421	1,660	-
Treasury bills and similar securities	1,862	1,810	52	-
Bonds and other fixed income securities	11,219	9,611	1,608	-
Hedging derivative Instruments	**1,323**	**-**	**1,323**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**265,491**	**39,074**	**218,750**	**7,667**
Transfers from Level 1: Quoted prices in active markets for identical instruments	988	-	988	-
Transfers from Level 2: Valuation based on observable data	1,130	1,094	-	36
Transfers from Level 3: Valuation based on unobservable data	718	-	718	-
TOTAL TRANSFERS TO EACH LEVEL	**2,836**	**1,094**	**1,706**	**36**

Transfers between Level 1 and Level 2 mainly concern treasury bills and bonds and other fixed-income securities for €1,094m and €988m.

Transfers from Level 3 to Level 2 are mainly the securities of credit institutions and clients received under repurchase agreements, debt securities and trading derivatives for €718m.

Transfers from Level 2 to Level 3 mainly concern trading derivatives for €36m.

€ million	31.12.2020	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets held for trading	**284,101**	**22,628**	**255,713**	**5,760**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	872	-	141	731
Securities bought under repurchase agreements	123,400	-	121,397	2,003
Pledged securities	-	-	-	-
Held for trading securities	24,912	22,626	1,859	427
Treasury bills and similar securities	13,069	11,773	1,296	-
Bonds and other fixed income securities	5,606	4,887	563	156
Mutual funds	17	17	-	-
Equities and other variable income securities	6,221	5,948	2	271
Derivative instruments	134,917	2	132,316	2,599
Other financial instruments at fair value through profit or loss	**314**	**124**	**16**	**174**
Equity instruments at fair value through profit or loss	**259**	**95**	**11**	**153**
Equities and other variable income securities	124	95	11	18
Non-consolidated equity investments	135	-	-	135
Debt instruments that do not meet the conditions of the “SPPI” test	**55**	**29**	**5**	**21**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	5	-	-	5
Debt securities	50	29	5	16
Treasury bills and similar securities	-	-	-	-
Bonds and other fixed income securities	16	-	-	16
Mutual funds	34	29	5	-
Financial assets recognized at fair value through equity	**-**	**-**	**-**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	-	-	-	-
Treasury bills and similar securities	-	-	-	-
Bonds and other fixed income securities	-	-	-	-
Financial assets at fair value through other comprehensive income	**11,311**	**9,807**	**1,310**	**194**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**269**	**75**	**-**	**194**
Equities and other variable income securities	37	1	-	36
Non-consolidated equity investments	232	74	-	158
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**11,042**	**9,733**	**1,309**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	11,042	9,733	1,309	-
Treasury bills and similar securities	2,596	2,546	49	-
Bonds and other fixed income securities	8,447	7,187	1,260	-
Hedging derivative Instruments	**1,503**	**-**	**1,503**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**297,230**	**32,560**	**258,542**	**6,128**
Transfers from Level 1: Quoted prices in active markets for identical instruments	1,545	-	1,533	12
Transfers from Level 2: Valuation based on observable data	340	154	-	186
Transfers from Level 3: Valuation based on unobservable data	1,320	1	1,319	-
TOTAL TRANSFERS TO EACH LEVEL	**3,205**	**155**	**2,852**	**198**

Transfers from Level 1 to Level 2 mainly concern options listed on underlying equity.

The assets transferred from Level 1 to Level 3 are bonds and other fixed-income securities.

The assets transferred from Level 2 to Level 1 are mainly treasury bills and bonds and other fixed-income securities.

Transfers from Level 3 to Level 2 are mainly the securities of credit institutions or clients received under repurchase agreements and trading derivatives.

The assets transferred from Level 3 to Level 1 are bonds and other fixed-income securities.

The assets transferred from Level 2 to Level 3 are mainly the securities of customers received under repurchase agreements and trading derivatives. These transfers are mainly the result of better identification of fair value levels on transactions already present at 31 December 2019 for €186m.

▶ Financial liabilities measured at fair value

€ million	31.12.2021	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Held for trading financial liabilities	**221,904**	**41,744**	**178,117**	**2,043**
Securities sold short	41,934	41,621	292	20
Securities sold under repurchase agreements	79,498	-	78,799	699
Debt securities	-	-	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	100,472	123	99,026	1,324
Financial liabilities designated at fair value through profit or loss	**25,683**	**-**	**18,039**	**7,644**
Hedging derivative Instruments	**1,202**	**-**	**1,202**	**-**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**248,789**	**41,744**	**197,358**	**9,687**
Transfers from Level 1: Quoted prices in active markets for identical instruments	12	-	1	11
Transfers from Level 2: Valuation based on observable data	378	5	-	373
Transfers from Level 3: Valuation based on unobservable data	1,065	-	1,065	-
TOTAL TRANSFERS TO EACH LEVEL	**1,455**	**5**	**1,066**	**384**

Transfers to and outside of Level 3 mainly concern securities sold under repurchase agreements with credit institutions, trading derivatives and financial liabilities designated at fair value through profit or loss.

€ million	31.12.2020	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Held for trading financial liabilities	**250,169**	**36,932**	**211,341**	**1,895**
Securities sold short	37,179	36,931	248	-
Securities sold under repurchase agreements	83,540	-	82,803	737
Debt securities	-	-	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	129,449	1	128,290	1,158
Financial liabilities designated at fair value through profit or loss	**24,059**	**-**	**18,307**	**5,752**
Hedging derivative Instruments	**1,709**	**-**	**1,709**	**-**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**275,936**	**36,932**	**231,357**	**7,647**
Transfers from Level 1: Quoted prices in active markets for identical instruments	1,057	-	1,057	-
Transfers from Level 2: Valuation based on observable data	1,204	64	-	1,140
Transfers from Level 3: Valuation based on unobservable data	681	-	681	-
TOTAL TRANSFERS TO EACH LEVEL	**2,942**	**64**	**1,738**	**1,140**

Transfers from Level 1 to Level 2 mainly concern options listed on underlying equity.

Level 2 transfers to Level 1 mainly concern negotiable debt securities.

Transfers from Level 3 to Level 1 had no impact on 2020.

Transfers from Level 3 to Level 2 mainly involved securities bought under resale and interest rate swaps. The review of the observability mapping of derivative instruments and liabilities designated at fair value is €500m and concerns repurchase agreements.

Transfers from Level 2 to Level 3 resulted mainly from better identification of the fair value of transactions outstanding at 31/12/2019 (€425m) and an observability mapping review (€624m).

FINANCIAL INSTRUMENTS CLASSIFIED AS LEVEL 1

Level 1 is the classification applied to derivatives traded on an active organised market (options, futures, etc.), regardless of the underlying (interest rate, exchange rate, precious metals or main equity indices), and equities and bonds listed on an active market.

A market is regarded as being active if quoted prices are readily and regularly available from exchanges, brokers, dealers, pricing services or regulatory agencies, and these prices represent actual transactions regularly occurring in the market at arm's length.

Corporate, government and agency bonds that are measured based on prices obtained from independent sources that are considered to be executable and are regularly updated are classified as Level 1. This applies to the bulk of the sovereign, agency and corporate bonds held. Issuers whose bonds are not listed are classified as Level 3.

FINANCIAL INSTRUMENTS CLASSIFIED AS LEVEL 2

The main financial instruments classified as Level 2 are:

Liabilities designated at fair value

Debts issued and designated at fair value are classified as Level 2 if their embedded derivative is considered to fall under Level 2;

Over-the-counter derivatives

The main OTC derivatives classified as Level 2 are those measured using inputs considered to be observable and a valuation technique that does not generate significant exposure to model risk.

The following are therefore classified as Level 2:

- Linear derivative products such as interest-rate swaps, currency swaps and forward FX. These are measured using simple models widely used by the market, based on inputs that are directly observable (foreign exchange rates and interest rates) or can be deduced from the market prices of observable products (foreign exchange swaps);
- non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and credit default swaps, including digital options. These are measured using simple models widely used by the market, based on inputs that are directly observable (foreign exchange rates, interest rates and share prices) or can be deduced from observable market prices (volatilities);
- simple exotic single-underlying instruments such as cancellable swaps or baskets of major currencies;

These are measured using models that are sometimes slightly more complex but are still widely used by the market. The significant inputs are observable. Prices are observable on the market, particularly through quotes from brokers and/or market consensus data, which can be used to corroborate internal valuations;

- Securities, equity options, and future equity options listed on a market deemed to be inactive and for which independent valuation data is available.

FINANCIAL INSTRUMENTS CLASSIFIED AS LEVEL 3

Financial instruments classified as Level 3 are those that do not meet the conditions for classification as Level 1 or 2. They are therefore mainly financial instruments with a high model risk or products whose valuation requires the use of significant non-observable inputs.

A reserve is recognised on the initial recognition date for the initial margin for all new transactions classified as Level 3. The margin is added back to profit or loss, either spread out over the period during which the inputs are considered to be non-observable or in its entirety on the date when the inputs become observable.

The following are therefore classified as Level 3:

Securities

Level-3 securities mainly consist of:

- Unlisted shares or bonds for which no independent valuation is available;
- ABSs and CLOs for which there are indicative independent valuations but these are not necessarily executable;
- ABSs, CLOs and super senior and mezzanine CDO tranches, for which the active nature of the market has not been demonstrated.

Liabilities designated at fair value

Debts issued and designated at fair value are classified as Level 3 if their embedded derivative is considered to fall under Level 3.

Over-the-counter derivatives

Unobservable products are financial instruments that are complex, significantly exposed to model risk or require the use of inputs considered to be non-observable.

Based on these principles, observability mapping is carried out for the three Levels, indicating the classification for each product, currency and maturity.

The following are most commonly classified as Level 3:

- Linear interest rate or currency products with very long maturities for major currencies, or shorter maturities for emerging currencies; this may include repos depending on the maturity of the transactions involved and their underlying assets;
- non-linear interest rate or currency products with very long maturities for major currencies, or shorter maturities for emerging currencies;
- the following complex derivatives:
  - some equity derivatives: options on shallow markets or very long-dated options or products whose valuation depends on non-observable correlations between various underlying shares;
  - some exotic interest rate products whose underlying is the difference two interest rates (structured products based on interest-rate differences or products whose correlations are not observable);
  - some products whose underlying is the forward volatility of an index. These products are deemed to be non-observable because of their significant model risk and thin liquidity, which prevent regular and accurate estimates of inputs;
  - securitisation swaps generating exposure to the prepayment rate. The prepayment rate is determined based on historical data for similar portfolios;
  - long-term interest rate/foreign exchange hybrid products of the power reverse dual currency type, or products whose underlying is a basket of foreign currencies. The inputs for the correlation between the interest rates and currencies and between the two interest rates are determined using an internal methodology based on historical data. Results are cross-checked against market consensus data to ensure that the overall method is consistent;
  - multiple-underlying products generating exposure to correlations between several risk classes (interest-rate, credit, FX, inflation and equity);
  - the parts of CDOs exposed to baskets of corporate credit. These are now immaterial.

NET CHANGES IN FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE ACCORDING TO LEVEL 3

▶ Financial assets measured at fair value according to Level 3

		Financial assets held for trading							Other financial instruments at fair value through profit or loss						Financial assets at fair value through other comprehensive income				
				Held-for-trading securities					Equity instruments at fair value through profit or loss		Debt instruments that do not meet the conditions of the "SPPI" test				Equity instruments at fair value through other comprehensive income that will not be reclassified to profit and loss		Financial assets designated at fair value through profit or loss		
												Debt securities					Debt securities		
€ million	Total	Loans and receivables due from customers	Securities bought under repurchase agreements	Treasury bills and similar securities	Bonds and other fixed income securities	Equities and other variable income securities	Held-for-trading securities	Derivative instruments	Equity and other variable income securities	Non-consolidated equity investments	Loans and receivables due from customers	Treasury bills and similar securities	Bonds and other fixed income securities	Debt securities	Equities and other variable income securities	Non-consolidated equity investments	Treasury bills and similar securities	Bonds and other fixed income securities	Debt securities
OPENING BALANCE (01.01.2021)	**6,128**	**731**	**2,003**	**-**	**156**	**271**	**427**	**2,599**	**18**	**135**	**5**	**-**	**16**	**16**	**36**	**158**	**-**	**-**	**-**
Gains or losses during the period [1]	(8)	7	(272)	-	9	5	14	222	(5)	24	-	-	(2)	(2)	-	4	-	-	-
Recognised in profit or loss	(43)	(9)	(272)	-	9	5	14	214	(6)	18	-	-	(2)	(2)	-	-	-	-	-
Recognised in other comprehensive income	35	16	-	-	-	-	-	8	1	6	-	-	-	-	-	4	-	-	-
Purchases	3,683	380	2,335	-	66	168	235	715	9	-	-	-	-	-	1	8	-	-	-
Sales	(562)	(271)	-	-	(8)	(271)	(279)	-	(7)	-	(5)	-	-	-	-	-	-	-	-
Issues	22	-	-	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-
Settlements	(963)	(38)	(838)	-	(1)	-	(1)	(86)	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	(15)	10	-	-	-	-	-	-	-	-	-	-	-	-	-	(25)	-	-	-
Changes associated with scope during the period	64	-	-	-	-	-	-	-	-	-	-	-	-	-	1	63	-	-	-
Transfers	(682)	-	(701)	-	(9)	-	(9)	28	-	-	-	-	-	-	-	-	-	-	-
Transfers to Level 3	36	-	-	-	-	-	-	36	-	-	-	-	-	-	-	-	-	-	-
Transfers from Level 3	(718)	-	(701)	-	(9)	-	(9)	(8)	-	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE (31.12.2021)	**7,667**	**819**	**2,527**	**-**	**213**	**173**	**387**	**3,500**	**15**	**159**	**-**	**-**	**14**	**14**	**38**	**208**	**-**	**-**	**-**

[1] *This balance includes the gains and losses of the period made on assets reported on the balance sheet at the reporting date, for the following amounts:*

Gains/ losses for the period from level 3 assets held at the end of the period	**(8)**
Recognised in profit or loss	(43)
Recognised in other comprehensive income	35

Financial liabilities measured at fair value according to Level 3

€ million	Total	Financial liabilities held for trading						Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
		Securities sold short	Securities sold under repurchase agreements	Debt securities	Due to credit institutions	Due to custom-ers	Derivative Instruments		
Opening balance (01.01.2021)	**7,647**	**-**	**737**	**-**	**-**	**-**	**1,158**	**5,752**	**-**
Gains or losses during the period [1]	(320)	-	(286)	-	-	-	(90)	56	-
Recognised in profit or loss	(331)	-	(286)	-	-	-	(101)	56	-
Recognised in other comprehensive income	11	-	-	-	-	-	11	-	-
Purchases	999	8	699	-	-	-	292	-	-
Sales	(184)	-	-	-	-	-	(5)	(179)	-
Issues	3,832	-	-	-	-	-	-	3,832	-
Settlements	(1,607)	-	(22)	-	-	-	(107)	(1,478)	-
Reclassifications	-	-	-	-	-	-	-	-	-
Changes associated with scope during the period	-	-	-	-	-	-	-	-	-
Transfers	(680)	12	(429)	-	-	-	76	(339)	-
Transfers to Level 3	385	12	-	-	-	-	102	271	-
Transfers from Level 3	(1,065)	-	(429)	-	-	-	(26)	(610)	-
CLOSING BALANCE (31.12.2021)	**9,687**	**20**	**699**	**-**	**-**	**-**	**1,324**	**7,644**	**-**

[1] This balance includes the gains and losses of the period made on liabilities reported on the balance sheet at the closing date, for the following amounts:

Gains/ losses for the period from level 3 assets held at the end of the period	**(320)**
Recognised in profit or loss	(331)
Recognised in other comprehensive income	11

The gains and losses recognised in profit or loss linked to financial instruments held for trading and designated at fair value through profit or loss and derivatives are recorded in “Net gains (losses) on financial instruments at fair value through profit or loss”; the gains and losses recognised in profit or loss linked to financial assets at fair value through other comprehensive income are recorded in “Net gains (losses) on financial instruments at fair value through other comprehensive income”.

11.3 Estimated impact of the inclusion of the margin at inception

€ million	31.12.2021	31.12.2020
Deferred margin at 1st January	**138**	**66**
Margin generated by new transactions during the period	124	61
Amortisation and cancelled / reimbursed / matured transactions	(83)	(63)
Effects of inputs or products reclassified as observable during the period	(5)	(6)
Other movements [1]	11	80
DEFERRED MARGIN AT THE END OF THE PERIOD	**185**	**138**

[1] The amount under Other changes resulted from the revision of the historical Day 1 calculation method covering the non-linear scope in financial year 2020.

A reserve is recognised on the balance sheet for the first-day margin for market transactions classified as fair value Level 3 and the margin is recognised in profit or loss over time or when the non-observable inputs become observable again.

NOTE 12: SCOPE OF CONSOLIDATION AT 31 DECEMBER 2021

12.1 Information on subsidiaries

12.1.1 RESTRICTIONS ON CONTROLLED ENTITIES

Regulatory, legal or contractual provisions may limit Crédit Agricole CIB's ability to freely access the assets of its subsidiaries and to settle Crédit Agricole CIB's liabilities.

Crédit Agricole CIB is subject to the following restrictions:

- Regulatory constraints

Crédit Agricole CIB subsidiaries are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum solvency ratio, leverage ratio and liquidity ratio requirements limit the ability of these entities to pay dividends or transfer assets to Crédit Agricole CIB.

- Legal constraints

Crédit Agricole CIB subsidiaries are subject to the legal provisions governing the distribution of capital and distributable profits. These requirements limit their ability to distribute dividends. In most cases, they are less restrictive than the regulatory limitations mentioned above.

- Other constraints

Certain Crédit Agricole CIB subsidiaries must submit proposed dividend payouts to their regulatory authorities for prior approval.

12.1.2 SUPPORT FOR CONTROLLED STRUCTURED ENTITIES

Crédit Agricole CIB has contractual agreements with certain consolidated structured entities deemed equivalent to commitments to provide financial support.

For its own funding needs and those of its customers, Crédit Agricole CIB uses structured debt issuance vehicles to raise funds on the financial markets. The securities issued by these entities are fully underwritten by Crédit Agricole CIB. At 31 December 2021, the outstanding volume of these issues was €7.9 billion.

As part of its third-party securitisation business, Crédit Agricole CIB provides short-term credit facilities to its ABCP conduits. At 31 December 2021, these short-term credit facilities totalled €39 billion.

12.2 Composition of the consolidation scope

Consolidation scope - Crédit Agricole CIB Group	(a)	Location	Registered office if different from location	Type of entity and nature of control (b)	Consolidation method at 31 December 2021	% control 31.12.2021	% control 31.12.2020	% interest 31.12.2021	% interest 31.12.2020
Parent company and branches									
Crédit Agricole CIB S.A.	-	France	-	Parent	company	100	100	100	100
Crédit Agricole CIB (Dubai)	-	United Arab Emirates	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Dubai DIFC)	-	United Arab Emirates	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Abu Dhabi)	-	United Arab Emirates	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (South Korea)	-	South Korea	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Spain)	-	Spain	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (India)	-	India	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Japan)	-	Japan	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Singapore)	-	Singapore	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (United Kingdom)	-	United Kingdom	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Hong Kong)	-	Hong Kong	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (United States)	-	United States	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Taipei)	-	Taiwan	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Finland)	-	Finland	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Germany)	-	Germany	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Sweden)	-	Sweden	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Italy)	-	Italy	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Belgium)	-	Belgium	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Miami)	-	United States	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Canada)		Canada	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB QFC Branch	-	Qatar	France	Branch	full consolidation	100	100	100	100
Banking and financial institutions									
Banco Crédit Agricole Brasil S.A.	-	Brazil	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB Algérie Bank Spa	S2	Algeria	-	Subsidiary	full consolidation	-	100	-	100
Crédit Agricole CIB Australia Ltd.	-	Australia	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB China Ltd.	-	China	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB China Ltd. Chinese Branch	-	China	-	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB Services Private Ltd.	-	India	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB AO	-	Russia	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Wealth (Europe)	-	Luxembourg	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Wealth (Europe - Spain)	-	Spain	Luxembourg	Branch	full consolidation	100	100	100	100
CA Indosuez Wealth (Europe - Belgium)	-	Belgium	Luxembourg	Branch	full consolidation	100	100	100	100
CA Indosuez (Suisse) S.A.	-	Switzerland	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez (Suisse) S.A. (Hong Kong)	-	Hong Kong	Switzerland	Branch	full consolidation	100	100	100	100
CA Indosuez (Suisse) S.A. (Singapore)	-	Singapore	Switzerland	Branch	full consolidation	100	100	100	100
CA Indosuez (Suisse) S.A. Switzerland Branch	-	Switzerland	-	Branch	full consolidation	100	100	100	100
CFM Indosuez Wealth	-	Monaco	-	Subsidiary	full consolidation	70	70	69	69
CA Indosuez Finanziaria S.A.	-	Switzerland	-	Subsidiary	full consolidation	100	100	100	100
UBAF	-	France	-	Joint venture	equity method	47	47	47	47
UBAF (Japan)	-	Japan	France	Joint venture	equity method	47	47	47	47
UBAF (South Korea)	-	South Korea	France	Joint venture	equity method	47	47	47	47
UBAF (Singapore)	-	Singapore	France	Joint venture	equity method	47	47	47	47
CA Indosuez	D1	France	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Gestion	-	France	-	Subsidiary	full consolidation	100	100	100	100
Ester Finance Technologies	-	France	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Wealth Italy S.P.A.	S1	Italy	-	Subsidiary	full consolidation	-	100	-	100
CA Indosuez Wealth (Europe) Italy Branch	E2	Italy	Luxembourg	Branch	full consolidation	100	-	100	-
CACIB Arabia Financial Company	E2	Saudi Arabia	-	Subsidiary	full consolidation	100	-	100	-

Consolidation scope - Crédit Agricole CIB Group	(a)	Location	Registered office if different from location	Type of entity and nature of control (b)	Consolidation method at 31 December 2021	% control		% interest	
						31.12.2021	31.12.2020	31.12.2021	31.12.2020
Brokerage firms									
Crédit Agricole Securities (USA) Inc	-	United States	-	Subsidiary	full consolidation	100	100	100	100
Credit Agricole Securities (Asia) Ltd	-	Hong Kong	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole Securities Asia Limited Seoul Branch (CASAL Seoul Branch)	-	South Korea	-	Branch	full consolidation	100	100	100	100
Crédit Agricole Securities Asia BV (Tokyo)	-	Japan	Netherlands	Branch	full consolidation	100	100	100	100
Investment companies									
CA Indosuez Wealth (Brazil) S.A. DTVM	D4	Brazil	-	Subsidiary	full consolidation	100	100	100	100
Compagnie Française de l'Asia (CFA)	-	France	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB Air Finance S.A.	-	France	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole Securities Asia BV	-	Netherlands	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole Global Partners Inc.	-	United States	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB Holdings Ltd.	-	United Kingdom	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Wealth (Group)	S4	France	-	Subsidiary	full consolidation	-	100	-	100
Doumer Finance S.A.S.	-	France	-	Subsidiary	full consolidation	100	100	100	100
Fininvest	-	France	-	Subsidiary	full consolidation	98	98	98	98
Fletirec	-	France	-	Subsidiary	full consolidation	100	100	100	100
CFM Indosuez Conseil en Investissement	-	France	-	Subsidiary	full consolidation	70	70	69	69
CFM Indosuez Gestion	-	Monaco	-	Subsidiary	full consolidation	70	70	68	68
CFM Indosuez Conseil en Investissement, Noumea Branch	-	New Caledonia	France	Branch	full consolidation	70	70	69	69
Insurance									
CAIRS Assurance S.A.	-	France	-	Subsidiary	full consolidation	100	100	100	100
Miscellaneous									
CLIFAP	-	France	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole Asia Shipfinance Ltd.	-	Hong Kong	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB Finance (Guernsey) Ltd.	-	Guernsey	-	Controlled structured entity	full consolidation	100	100	100	100
Crédit Agricole CIB Financial Solutions	-	France	-	Controlled structured entity	full consolidation	100	100	100	100
Crédit Agricole CIB Global Banking	-	France	-	Subsidiary	full consolidation	100	100	100	100
MERISMA	S5	France	-	Controlled structured entity	full consolidation	-	100	-	100
Benelpart	-	Belgium	-	Subsidiary	full consolidation	100	100	97	97
Financière des Scarabées	-	Belgium	-	Subsidiary	full consolidation	100	100	99	99
Lafina	-	Belgium	-	Subsidiary	full consolidation	100	100	98	98
SNGI Belgium	-	Belgium	-	Subsidiary	full consolidation	100	100	100	100
TCB	-	France	-	Subsidiary	full consolidation	99	99	97	97
Molinier Finances	-	France	-	Subsidiary	full consolidation	100	100	97	97
SNGI	-	France	-	Subsidiary	full consolidation	100	100	100	100
Sofipac	-	Belgium	-	Subsidiary	full consolidation	99	99	96	96
Crédit Agricole Leasing (USA) Corp.	-	United States	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole America Services Inc.	-	United States	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Wealth (Asset Management)	-	Luxembourg	-	Subsidiary	full consolidation	100	100	100	100
Atlantic Asset Securitization LLC	-	United States	-	Controlled structured entity	full consolidation	100	100	-	-
LMA SA	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
FIC-FIDC	-	Brazil	-	Controlled structured entity	full consolidation	100	100	100	100
Héphaïstos Multidevises FCT	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Eucalyptus FCT	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Pacific USD FCT	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Shark FCC	S1	France	-	Controlled structured entity	full consolidation	-	100	-	-
Pacific EUR FCC	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Pacific IT FCT	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Triple P FCC	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
ESNI (Crédit Agricole CIB sub-fund)	-	France	-	Controlled structured entity	full consolidation	100	100	100	100
CACIB Pension Limited Partnership	-	United Kingdom	-	Controlled structured entity	full consolidation	100	100	100	100

Consolidation scope - Crédit Agricole CIB Group	(a)	Location	Registered office if different from location	Type of entity and nature of control (b)	Consolidation method at 31 December 2021	% control		% interest	
						31.12.2021	31.12.2020	31.12.2021	31.12.2020
ItalAsset Finance SRL	-	Italy	-	Controlled structured entity	full consolidation	100	100	100	100
Financière Lumis	-	France	-	Subsidiary	full consolidation	100	100	100	100
Lafayette Asset Securitization LLC	-	United States	-	Controlled structured entity	full consolidation	100	100	-	-
Fundo A De Investimento Multimercado	-	Brazil	-	Controlled structured entity	full consolidation	100	100	100	100
Tsubaki ON	S1	France	-	Controlled structured entity	full consolidation	-	100	-	-
Tsubaki OFF	S1	France	-	Controlled structured entity	full consolidation	-	100	-	-
Azqore	-	Switzerland	-	Subsidiary	full consolidation	80	80	80	80
Azqore Singapore Branch SA	-	Singapore	Switzerland	Branch	full consolidation	80	80	80	80
Crédit Agricole CIB Transactions	-	France	-	Subsidiary	full consolidation	100	100	100	100
FCT La Route Avance	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Sufinair B.V.	-	Netherlands	-	Subsidiary	full consolidation	100	100	100	100
Sinefinair B.V.	-	Netherlands	-	Subsidiary	full consolidation	100	100	100	100
Crédit Agricole CIB Finance Luxembourg S.A.	-	Luxembourg	-	Subsidiary	full consolidation	100	100	100	100
FCT CFN DIH	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
FIXED INCOME DERIVATIVES - STRUCTURED FUND PLC	-	Ireland	-	Controlled structured entity	full consolidation	100	100	100	100

(a) Change in scope

Inclusion (E) in the scope

E1: Threshold exceeded

E2: Creation

E3: Acquisition (including controlling interests)

Removal (S) from the scope:

S1: Discontinuation of operations (including dissolution or liquidation)

S2: Company sold to a non-Group company or deconsolidation following a loss of control

S3: Entity deconsolidated due to non-materiality

S4: Merger or takeover

S5: Transfer of all assets and liabilities

Other (D):

D1: Change of company name

D2: Change of consolidation method

D3: Entity newly included in the Note on the scope of consolidation

D4: Entity classified under Non-current assets held for sale and discontinued operations

D5: Inclusion in scope of consolidation in accordance with IFRS 10

D6: Change in consolidation method in accordance with IFRS 11

(b) Type of entity and nature of control

F: Subsidiary

S: Branch

ESC: Controlled structured entity

Co-E: Joint venture

Co-ES: Structured joint venture

OC: Joint operation

EA: Affiliate

EAS: Structured affiliate

NOTE 13: NON-CONSOLIDATED INVESTMENTS AND STRUCTURED ENTITIES

13.1 Non-consolidated investments

These securities, measured at fair value through profit or loss or at fair value through other comprehensive income that will not subsequently be reclassified to profit or loss, are variable-income securities representing a significant portion of the capital of the issuing companies and which the company has the intention of holding over the long term.

This item amounted to €307 million at 31 December 2021 versus €232 million at 31 December 2020.

In accordance with the option offered by ANC Recommendation 2016-01, the complete list of non-consolidated controlled entities and significant non-consolidated equity investments can be consulted on the Crédit Agricole CIB website at: https://www.ca-cib.com/about-us/financial-information/regulated-information

13.2 Information on non-consolidated structured entities

In accordance with IFRS 12, a controlled structured entity is an entity designed in such a way that the voting rights or similar rights are not the factor determining who controls the entity; this is notably the case when the voting rights only relate to administrative tasks and the relevant activities are managed through contractual agreements.

INFORMATION ON THE NATURE AND EXTENT OF INTERESTS HELD

At 31 December 2021, Crédit Agricole CIB and its subsidiaries held interests in certain non-consolidated structured entities, the main characteristics of which are presented below by type of activity.

◆ Securitisation

Crédit Agricole CIB's role is to structure securitisation vehicles by purchasing trade or financial receivables. The vehicles finance these purchases by issuing multiple tranches of debt and equity securities, the repayment of which is associated with the performance of the assets comprising the vehicles.

Crédit Agricole CIB invests in and provides short-term credit facilities to the securitisation vehicles it has sponsored on behalf of clients.

◆ Structured Finance

Crédit Agricole CIB operates through entities dedicated to the acquisition of assets. These entities may take the form of asset finance companies or leasing companies. In structured entities, financing is secured by the asset. The Group's involvement is often limited to financing or loan commitments.

◆ Sponsored entities

Crédit Agricole CIB sponsors a structured entity in the following cases:

- Crédit Agricole CIB is involved in the creation of the entity and this involvement, against remuneration, is deemed to be substantial to ensuring the successful completion of operations;
- A structuring arrangement took place at the request of Crédit Agricole CIB and it is the main user;
- Crédit Agricole CIB sold its own assets to the structured entity;
- Crédit Agricole CIB is the portfolio manager;
- The name of a subsidiary or parent company of Crédit Agricole CIB is associated with the name of the structured entity or the financial instruments issued by the entity.

Crédit Agricole CIB sponsored its non-consolidated structured entities in which it held no interests at 31 December 2021.

INFORMATION ON RISKS ASSOCIATED WITH INTERESTS HELD

◆ Financial support for structured entities

In 2021, Crédit Agricole CIB did not provide financial support to non-consolidated structured entities.

As of 31 December 2021, Crédit Agricole CIB does not intend to provide financial support to a non-consolidated structured entity.

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◆ Interests held in non-consolidated structured entities by type of business

The involvement of Crédit Agricole CIB in non-consolidated structured entities at 31 December 2021 and at 31 December 2020 is presented in the tables below for all categories of sponsored structured entities:

	31.12.2021											
	Securitisation vehicules				Investments funds [1]				Structured finance [1]			
		Maximum loss				Maximum loss				Maximum loss		
€ million	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure
Financial assets at fair value through profit or loss	5	5	-	5	-	-	-	-	5	5	-	5
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost	494	494	-	494	254	254	-	254	1,949	1,949	-	1,949
Total Assets recognised relating to non-consolidated structured entities	**499**	**499**	**-**	**499**	**254**	**254**	**-**	**254**	**1,954**	**1,954**	**-**	**1,954**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	3	3	-	3	-	-	-	-	-	-	-	-
Liabilities	63	-	-	-	-	-	-	-	374	-	-	-
Total Liabilities recognised relating to non-consolidated structured entities	**66**	**3**	**-**	**3**	**-**	**-**	**-**	**-**	**374**	**-**	**-**	**-**
Commitments given	-	6	-	6	-	-	-	-	-	856	-	856
Financing commitments	-	6	-	6	-	-	-	-	-	812	-	812
Guarantee commitments	-	-	-	-	-	-	-	-	-	44	-	44
Other	-	-	-	-	-	-	-	-	-	-	-	-
Provisions for execution risks - commitments given	-	-	-	-	-	-	-	-	-	-	-	-
Total Commitments (net of provision) to non-consolidated structured entities	**-**	**6**	**-**	**6**	**-**	**-**	**-**	**-**	**-**	**856**	**-**	**856**
Total Balance sheet relating to non-consolidated structured entities	**433**	**-**	**-**	**-**	**254**	**-**	**-**	**-**	**1,580**	**-**	**-**	**-**

[1] Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information on these exposures is provided in Note 3.1 "Credit risk" and in Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

	31.12.2020											
	Securitisation vehicules				Investments funds [1]				Structured finance [1]			
	Maximum loss				Maximum loss				Maximum loss			
€ million	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure
Financial assets at fair value through profit or loss	6	6	-	6	44	44	-	44	17	17	-	17
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-	-	-	2,007	2,007	-	2,007
Total Assets recognised relating to non-consolidated structured entities	**6**	**6**	**-**	**6**	**44**	**44**	**-**	**44**	**2,024**	**2,024**	**-**	**2,024**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	20	1	-	1	33	2	-	2	-	-	-	-
Liabilities	11	-	-	-	-	-	-	-	416	-	-	-
Total Liabilities recognised relating to non-consolidated structured entities	**31**	**1**	**-**	**1**	**33**	**2**	**-**	**2**	**416**	**-**	**-**	**-**
Commitments given	-	75	-	75	-	277	-	277	-	1,044	-	1,044
Financing commitments	-	18	-	18	-	-	-	-	-	974	-	974
Guarantee commitments	-	-	-	-	-	-	-	-	-	70	-	70
Other	-	57	-	57	-	277	-	277	-	-	-	-
Provisions for execution risks - commitments given	-	-	-	-	-	-	-	-	-	-	-	-
Total Commitments (net of provision) to non-consolidated structured entities	**-**	**75**	**-**	**75**	**-**	**277**	**-**	**277**	**-**	**1,044**	**-**	**1,044**
Total Balance sheet relating to non-consolidated structured entities	**25**	**-**	**-**	**-**	**11**	**-**	**-**	**-**	**1,461**	**-**	**-**	**-**

[1] Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information on these exposures is provided in Note 3.1 "Credit risk" and in Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

MAXIMUM EXPOSURE TO CREDIT RISK

The maximum exposure to loss risk on financial instruments corresponds to the value recognised on the balance sheet, with the exception of put options and CDS (credit default swaps) for which the exposure corresponds to assets for the notional amount and to liabilities for the notional amount less the mark-to-market. The maximum exposure to the risk of loss of commitments given corresponds to the notional amount and the provision for commitments given at the amount recognised in the balance sheet.

NOTE 14: EVENTS SUBSEQUENT TO 31 DECEMBER 2021

No significant events have occurred since the end of the reporting period.

4. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (FOR THE YEAR ENDED 31 DECEMBER 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex
S.A.S. au capital de € 2 510 460
348 058 165 R.C.S. Nanterre
Statutory Auditors
Member of the *compagnie régionale de Versailles*

ERNST & YOUNG ET AUTRES
Tour First - TSA 14444 - 92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre
Statutory Auditors
Member of the *compagnie régionale de Versailles*

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditors' report on the consolidated financial statements

To the General Meeting of Shareholders of Crédit Agricole Corporate and Investment Bank,

4.1 OPINION

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Crédit Agricole Corporate and Investment Bank for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

4.2 BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

4.3 JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

RISK IN RELATION TO THE MEASUREMENT OF PROVISIONS FOR REGULATORY AND TAX DISPUTES

Risk identified

Crédit Agricole Corporate and Investment Bank is undergoing legal proceedings and a number of investigations and requests for regulatory information from different regulators. These concern in particular the cases relating to Euribor/Libor and SSA Bonds with the authorities of various countries (USA, UK) and the European Union.

A number of tax investigations are also ongoing in France and in certain other countries where the Group operates.

Deciding whether to recognize a provision and the amount of that provision requires the use of judgement, given that it is difficult to assess the outcome of disputes or the uncertainties related to certain tax treatments.

Given the degree of judgement required, the measurement of provisions for regulatory and tax disputes constitutes a significant risk of material misstatement in the consolidated financial statements, and we therefore deemed such measurement to be a key audit matter.

The various ongoing legal or arbitration proceedings, investigations and requests for information (Euribor/Libor, SSA Bonds and other indices), as well as tax proceedings, are presented in Notes 6.15 and 6.10, respectively, to the consolidated financial statements.

Our response

We gained an understanding of the procedure implemented by management for measuring the risks resulting from these disputes and tax uncertainties and, where applicable, the associated provisions, notably through quarterly exchanges with management and, in particular, the Legal, Compliance and Tax departments of your Group and its main subsidiaries.

Our work consisted primarily in:

- examining the assumptions used to determine provisions based on available information (documentation prepared by the Legal Department or legal counsel of your Group and its entities, correspondence from regulators and minutes of Legal Risks Committee meetings);
- gaining an understanding of the analyses or findings of your Group's legal counsels and their responses to our requests for confirmation;
- as regards tax risks in particular, examining, with guidance from our specialists, your Group's responses submitted to the relevant authorities, as well as the risk estimates carried out by the Group;
- assessing, accordingly, the level of provisioning at 31 December 2021.

Lastly, we examined the related disclosures provided in the notes to the consolidated financial statements.

CREDIT RISK AND ESTIMATE OF EXPECTED CREDIT LOSSES ON PERFORMING, UNDERPERFORMING AND NON-PERFORMING LOANS

Risk identified

As part of its corporate and investment banking operations, your Group originates and structures financing for large corporate clients in France and abroad.

In accordance with IFRS 9, these loans are subject to value adjustments in respect of expected credit losses (ECL) on loans that are performing (Bucket 1), underperforming (Bucket 2) or non-performing (Bucket 3).

Given the significant judgement required in determining such value adjustments, we deemed the estimation of provisions for and impairment of performing and underperforming loans in the energy and transport sectors (Buckets 1 and 2) and nonperforming loans (Bucket 3) to be a key audit matter due to:

- an uncertain economic environment resulting in particular from the crisis related to the COVID-19 pandemic;
- the complexity of identifying exposures where there is a risk of non recovery; and
- the degree of judgement needed to estimate recovery flows.

At 31 December 2021, ECL value adjustments on all eligible loans amounted to €3.5 billion (€3.0 billion recognized under assets) including:

- **€1,127m of value adjustments pertaining to performing and underperforming assets (€346m in Bucket 1 and €781m in Bucket 2);**
- **€2,361m of value adjustments pertaining to non-performing loans (Bucket 3).**

See Notes 3.1, 4.9 and 6.5 to the consolidated financial statements.

Our response

We examined the procedures implemented by the Risk Management department to categorize outstanding loans (Bucket 1, 2 or 3) and measure the amount of recorded value adjustments, in order to assess whether the estimates used were based on IFRS 9-compliant methods appropriately documented and described in the notes to the consolidated financial statements.

We assessed, in particular, how the crisis linked to the COVID-19 pandemic, the macro-economic projections used to calculate value adjustments and the related financial information were taken into account.

We tested the key controls implemented by your Group for the annual portfolio reviews, the updating of credit ratings, the identification of sectors weakened by the crisis related to the COVID-19 pandemic, underperforming or non-performing loans and the measurement of value adjustments. We also familiarized ourselves with the main findings of your Group's specialized committees in charge of monitoring underperforming and non-performing loans.

Regarding value adjustments for expected losses in Buckets 1 and 2, we:

- asked specialists to assess the methods and measurements for the various ECL inputs and calculation models;
- assessed the analyses carried out by management on sectors with a deteriorated outlook and having been seriously impacted by the crisis related to the COVID-19 pandemic;
- examined the methodology used by Risk Management to identify significant increases in credit risk (SICR);
- tested the controls that we deemed to be of key importance in relation to the transfer of the data used to calculate ECL or the reconciliations between the bases used to calculate ECL and the accounting data;
- carried out independent value adjustment calculations for expected losses, compared the calculated amount with the recognized amount and examined the adjustments made by management where applicable.

Regarding individually calculated value adjustments in Bucket 3, we:

- examined the estimates used for impaired significant counterparties;
- based on a sample of impaired or non-impaired credit files, examined the factors underlying the main assumptions used to assess the expected recovery flows, in particular with regard to valuing collateral.

Lastly, we examined the disclosures in relation to credit risk hedging provided in the notes to the consolidated financial statements.

RISK IN RELATION TO THE MEASUREMENT OF CERTAIN FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

◆ Risk identified

As part of its capital markets activities, your Group originates, structures, sells and trades derivative financial instruments, for corporate clients, financial institutions and major issuers. Moreover, the issue of debt instruments, some of which are hybrid, to your Group's international and domestic customers contributes to the management of your Group's medium- and long-term refinancing.

- Derivative financial instruments held for trading purposes are measured at fair value through profit or loss on the balance sheet.
- Hybrid issues are recognized in financial liabilities according to the "fair value through profit or loss" option.

Financial instruments whose measurement requires the use of significant unobservable market inputs are classified in level 3. We deemed the measurement of certain of these instruments to be a key audit matter when they require significant judgement on the part of management, in particular as regards:

- the mapping of the observability of valuation inputs;
- the use of internal and non-standard valuation models;
- the valuation of inputs unsubstantiated by observable market data;
- the estimate of valuation adjustments designed to reflect uncertainties related to the models, the inputs used and counterparty and liquidity risks.

Derivative instruments are recorded in the balance sheet under financial assets and liabilities at fair value through profit or loss. As at 31 December 2021, derivative instruments categorized as level 3 amounted to €3.5 billion in assets and €1.3 billion in liabilities.

Hybrid issues are recognized in financial liabilities according to the "fair value through profit or loss" option. As at 31 December 2021, they represented €7.6 billion in liabilities.

See Notes 3.2, 6.2 and 11.2 to the consolidated financial statements.

◆ Our response

We gained an understanding of the processes and controls put in place by your Group to identify, measure and recognize derivative financial instruments and hybrid issues classified in level 3.

We examined the key controls, particularly those performed by the Risk Management department, such as the review of the observability mapping, the independent verification of measurement inputs and the internal approval of valuation models. We also examined the system governing the recognition of valuation adjustments and the accounting categorisation of financial products.

With the support of our specialists in the valuation of financial instruments, we carried out independent valuations, analysed those performed by your Group and examined the assumptions, inputs, methodologies and models used. In particular, we examined the documentation concerning changes over the year in the observability mapping.

We also assessed the main valuation adjustments recognized, as well as the justification provided by management for the main differences in measurement vis à vis counterparties observed in the margin calls process and gains or losses in the event of the unwinding of financial instruments.

RISK IN RELATION TO MEASUREMENT OF GOODWILL

Risk identified

Goodwill is tested for impairment whenever there are objective indications of impairment and otherwise at least once a year. These tests are based on a comparison between the carrying amount of each Cash Generating Unit (CGU) and its recoverable amount, defined as the higher of fair value less costs to sell and value in use. Value in use is determined by discounting the estimated future cash flows of the CGU, as set out in the financial forecasts validated by the governance bodies and extended until 2025.

The rate of capital allocation is determined by taking into account any specific requirements set by the regulator (in particular for Pillar 2).

By their very nature, these impairment tests require the exercise of judgement to make decisions concerning the key assumptions to use, in particular for determining economic scenarios in a context marked by the end of the crisis linked to the COVID-19 pandemic, financial forecasts and discount rates.

Given the trend in the difference between the value in use and the carrying amount, and the sensitivity of impairment tests to the assumptions used by management, we paid particular attention to the tests performed on the Corporate and Investment Banking CGU and the Wealth Management CGU.

The impairment tests performed at 31 December 2021 did not lead to the recognition of any impairment losses on goodwill. Sensitivity tests are set out in Note 6.14 to the consolidated financial statements.

Our response

We gained an understanding of the procedures implemented by your Group to identify objective indications of impairment and to assess the need to recognize impairment losses against goodwill.

We included valuation specialists in the audit team to examine the assumptions used to determine the discount rates and the perpetual growth rates used, as well as the models used for calculating discounted cash flows.

We tested the calculations and the main assumptions (rate of capital allocation, discount rate, perpetual growth rate, etc.) compared with external sources.

We examined the financial forecasts prepared by management and used in the model to:

- verify their consistency with those presented to your Board of Directors and ensure that any restatements made were justified;
- assess the main underlying assumptions, including in relation to the extension of forecasts beyond the period presented to your Group's Board of Directors, in view of financial forecasts made versus actual performance in prior periods;
- conduct sensitivity tests on some of the assumptions (level of capital allocated, discount rate, cost of risk, cost/income ratio).

We also examined the disclosures provided in the notes to the consolidated financial statements on the results of these impairment tests and the level of sensitivity to the various measurement inputs.

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4.4 SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Board of Directors' Group management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

4.5 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

FORMAT OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (Autorité des marchés financiers) agree with those on which we have performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Crédit Agricole Corporate and Investment Bank by the general meeting of shareholders held on 30 April 2004 for PricewaterhouseCoopers and on 20 May 1997 for ERNST & YOUNG et Autres.

As at 31 December 2021, PricewaterhouseCoopers Audit was in its eighteenth year and ERNST & YOUNG et Autres in its twenty-fifth year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

◆ Objectives and Audit Approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, 22 March 2022

The Statutory Auditors French original signed by:

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Agnès Hussherr-Harel	Laurent Tavernier	Matthieu Préchoux	Olivier Durand

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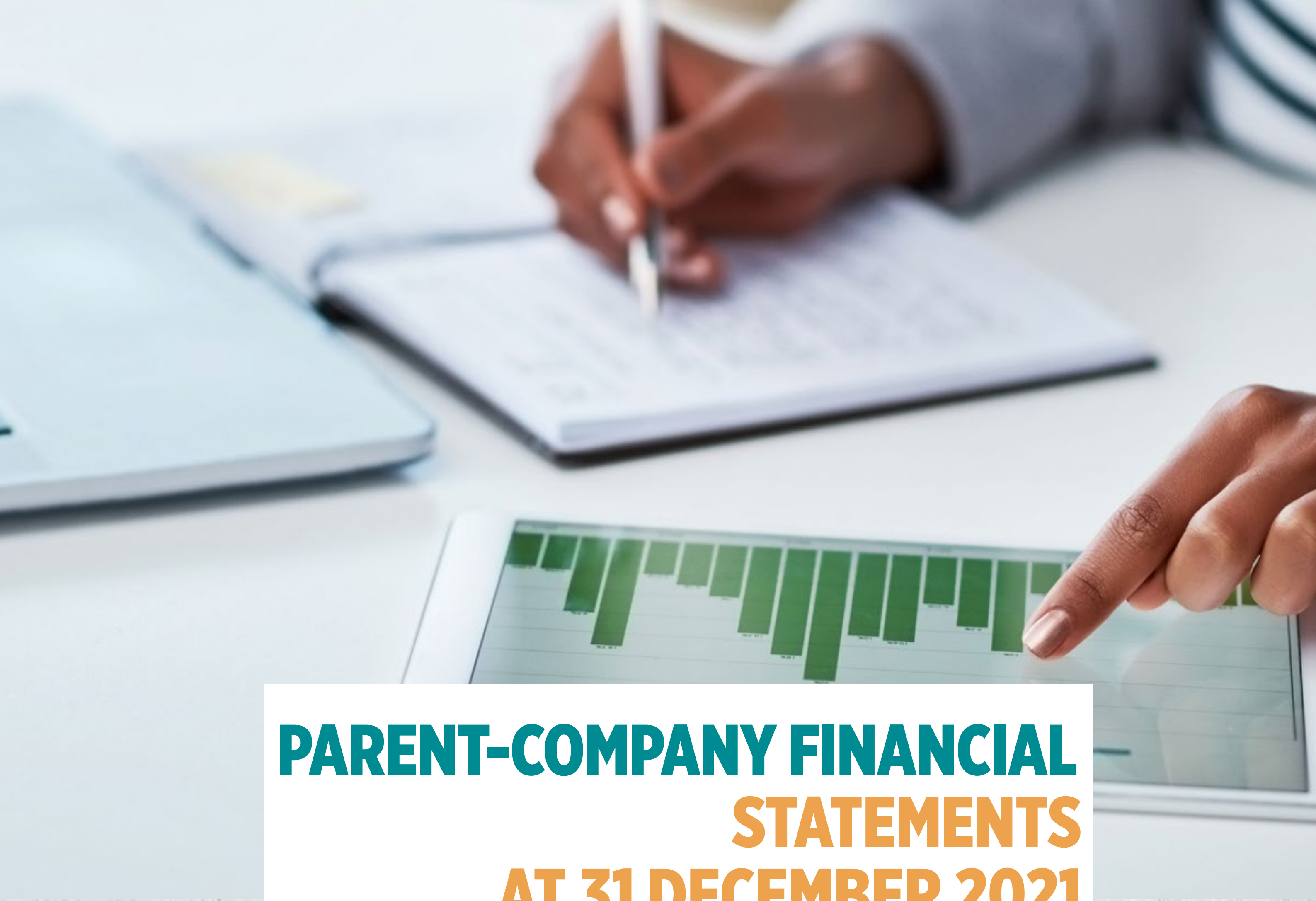
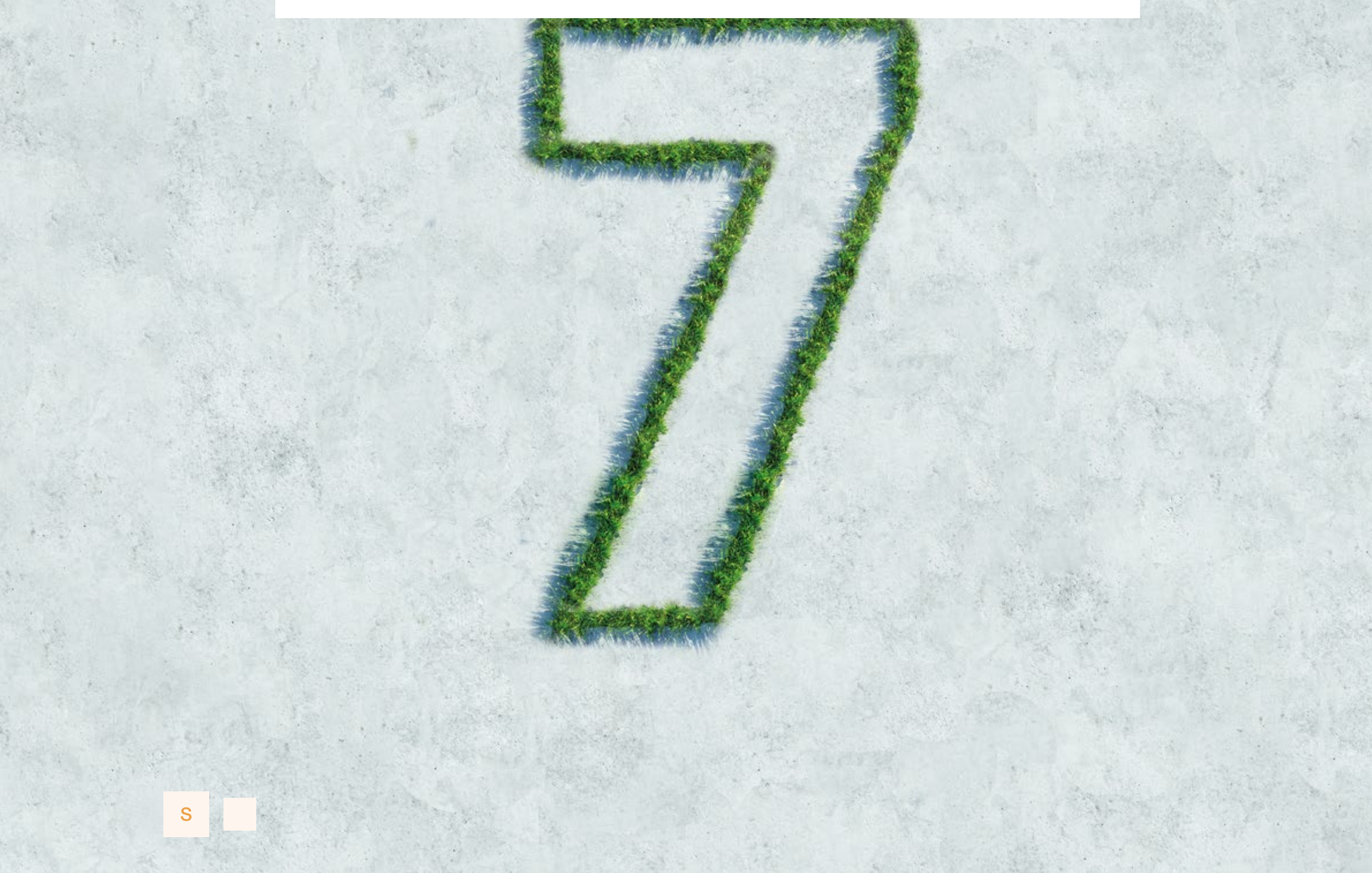


PARENT-COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2021

Approved by the Board of Directors on February 8th 2022 and submitted for approval by the Ordinary General Meeting of 3rd May 2022.



7 CONTENTS

€1,359 M NET INCOME

€4,328 M NET BANKING INCOME

€562,318 M TOTAL BALANCE SHEET

1. CRÉDIT AGRICOLE CIB (S.A.) FINANCIAL STATEMENTS

1.1. ASSETS

€ million	Notes	31.12.2021	31.12.2020
Cash money market and interbank items	-	**188,347**	**154,810**
Cash due from central banks	-	58,279	49,315
Treasury bills ans similar securities	4 - 4.2 - 4.3 - 4.4	23,193	21,489
Loans and receivables to credit institutions	2	106,875	84,006
Loans and receivables to customers	3 - 3.1 - 3.2 - 3.3 - 3.4	**191,547**	**189,459**
Portfolio securities	-	**40,156**	**34,399**
Bonds and other fixed income securities	4 - 4.2 - 4.3 - 4.4	33,159	28,601
Equities and other equity variables income securities	4 - 4.2	6,997	5,798
Fixed assets	-	**5,876**	**6,784**
Equity investments and other long-term equity investments	5 - 5.1 - 6	223	242
Investments in subsidiaries and affiliates	5 - 5.1 - 6	5,332	6,241
Intangible assets	6	241	221
Property, plant and equipment	6	80	80
Financial lease and similar operations	6	-	-
Treasury shares	-	**-**	**-**
Accruals, prepayments and sundry assets	-	**136,392**	**180,919**
Other assets	7	40,030	53,956
Accruals and prepayments	7	96,362	126,963
Total assets	-	**562,318**	**566,371**

1.2. LIABILITIES

€ million	Notes	31.12.2021	31.12.2020
Cash money markets and interbank items	-	**116,816**	**85,571**
Due to central banks	-	1,062	815
Due to credit institutions	9	115,754	84,756
Due to customers	10.1 -10.2 - 10.3	**197,950**	**207,321**
Debts securities	11.1 - 11.2	**37,424**	**31,258**
Accruals, deferred income and sundry liabilities	-	**178,967**	**214,307**
Other liabilities	12	80,293	88,046
Accruals and deferred income	12	98,674	126,261
Provisions and subordinated debt	-	**15,372**	**12,498**
Provisions	13	3,333	3,570
Subordinated debt	14	12,039	8,928
Fund for general banking risks (FGBR)	-	**-**	**-**
Equity (excluding FGBR)	15	**15,789**	**15,416**
Share capital	-	7,852	7,852
Share premium	-	1,573	1,573
Reserves	-	806	805
Revaluation adjustments	-	-	-
Regulated provisions and investment subsidies	-	-	-
Retained earnings	-	4,199	4,031
Net income for the financial year	-	1,359	1,155
Total equity and liabilities	-	**562,318**	**566,371**

1.3. OFF-BALANCE SHEET

€ million	31.12.2021	31.12.2020
Commitments given	**352,428**	**333,101**
Financing commitments	**186,788**	**178,212**
Commitments to credit institutions	31,394	41,061
Commitments to customers	155,394	137,151
Guarantee commitments [1]	**92,968**	**68,566**
Commitments to credit institutions	23,030	20,801
Commitments to customers	69,938	47,765
Commitments on securities [1]	**13,070**	**30,957**
Other commitments given [1]	**59,602**	**55,366**
Commitments received	**227,559**	**205,584**
Financing commitments [2]	**25,462**	**11,658**
Commitments to credit institutions	14,900	6,088
Commitments to customers	10,562	5,570
Guarantee commitments [2]	**166,386**	**149,059**
Commitments to credit institutions	15,976	5,368
Commitments to customers	150,410	143,691
Commitments on securities [2]	**18,513**	**31,232**
Other commitments received	**17,197**	**13,635**

[1] *Including €11,503 million in commitments given to Crédit Agricole S.A. at 31.12.2021.*
[2] *Including €18 million in financing commitments received from Crédit Agricole S.A. at 31.12.2021.*

Off-balance sheet items: Other information

Non-settled foreign exchange transactions and amounts payable in foreign currencies: Note 18
Transactions in forward financial instruments: Notes 19, 19.1, 19.2 and 19.3.

1.4. INCOME STATEMENT

€ million	Notes	31.12.2021	31.12.2020
Interest and similar income	20 - 21	5,699	6,152
Interest and similar expenses	20	(3,852)	(3,887)
Income from variable-income securities	21	121	246
Fee and commission income	22 - 22.1	989	1,008
Fee and commission expenses	22 - 22.1	(546)	(557)
Net gain/(loss) on trading book	23	1,775	1,565
Net gain/(loss) on investment portfolios	24	27	248
Other banking income	-	267	215
Other banking expenses	-	(152)	(175)
Revenues	-	**4,328**	**4,815**
Operating expenses	-	**(2,734)**	**(2,588)**
Personnal costs	25.1 - 25.3	(1,546)	(1,509)
Other operating expenses	25.3	(1,188)	(1,079)
Depreciation, amortization and impairement of property, plant and equipment and intangible assets	-	**(72)**	**(92)**
Gross operating income	-	**1,522**	**2,135**
Cost of risk	26	(82)	(892)
Net operating income	-	**1,440**	**1,243**
Net gain/(loss) on fixed assets	27	51	(10)
Pre-tax income on ordinary activities	-	**1,491**	**1,233**
Net extraordinary items	-	-	-
Income tax charge	28	(132)	(78)
Net allocation to FGBR and regulated provisions	-	-	-
Net income for the financial year	-	**1,359**	**1,155**

1.5. MAJOR EVENTS DURING THE PERIOD 2021

1.5.1 – Covid-19 health crisis

In response to the Covid-19 crisis, the Crédit Agricole Group took proactive measures to face this unprecedented situation. In a bid to support its clients whose businesses had been impacted by the health crisis, the Group actively contributed to the economic stimulus measures.

A – GOVERNMENT-BACKED LOANS

In response to the health crisis triggered by Covid-19, as from 25 March 2020 the Crédit Agricole Group offered to its entire base of entrepreneurial clients, regardless of the size of their business or professional status (farmers, professionals, retailers, craftsmen, corporates, etc.), the opportunity to take part in the government-backed loan programme, in addition to the measures already announced (deferred loan payments, streamlined credit application process, etc.).

At 31 December 2021, outstanding government-backed loans granted by Crédit Agricole CIB amounted to €1,995 million.

2. NOTES TO THE PARENT-COMPANY FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES AND PRINCIPLES

Crédit Agricole CIB prepares its financial statements in accordance with the accounting principles applicable to banks in France and in compliance with the rules defined by Crédit Agricole S.A.

The presentation of the financial statements of Crédit Agricole CIB complies with the provisions of ANC Regulation 2014-07, which combines in a single regulation all accounting standards applicable to credit institutions.

Changes in the accounting method and presentation of the financial statements compared to the previous year relate to the following point:

Regulations	Date of first-time application: transactions completed or financial years beginning on or after
Update to ANC Recommendation No. 2013-02 of 7 November 2013 on rules for the valuation and recognition of pension obligations and similar benefits for the annual financial statements and consolidated financial statements prepared in accordance with French accounting standards	Immediately

1.1 Loans and financing commitments

Amounts due from credit institutions, the Crédit Agricole Group entities and clients are covered by ANC Regulation 2014-07.

They are presented in the financial statements according to their initial term or their nature:

- Demand and term loans to credit institutions;
- Current accounts, term accounts and advances for Crédit Agricole internal transactions;
- Trade receivables and other loans and receivables granted to clients.

In accordance with regulations, the clients' category also includes transactions with financial clients.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type (interbank, Crédit Agricole, clients).

Receivables are recognised on the balance sheet at their face value.

Pursuant to ANC Regulation 2014-07, fees received and marginal transaction costs incurred on the granting or acquisition of a loan are spread over the effective term of the loan and are thus included in the relevant loan outstanding.

Accrued interest is recognised under the related accounts receivable and taken to profit or loss.

Financing commitments recognised off-balance sheet represent irrevocable commitments to provide cash advances and guarantee commitments that have not resulted in fund movements.

Under ANC regulation 2014-07, Crédit Agricole CIB recognises loans and receivables at risk of non-payment pursuant to the rules set out in the paragraphs below.

External and/or internal rating systems are used to help assess the level of credit risk.

Loans and financing commitments are broken down between performing and non-performing loans and receivables.

PERFORMING LOANS AND RECEIVABLES

Unless receivables are classified as irrecoverable, they are considered performing or non-performing and continue to be carried under their original classification.

◆ Credit risk provisions for performing and non-performing loans

Crédit Agricole CIB records provisions on the liabilities side of its balance sheet to cover 12-month expected credit losses (performing exposures) and/or lifetime expected credit losses when the credit quality has deteriorated significantly (non-performing exposures).

These provisions are determined in a specific monitoring process and are based on estimates of the expected credit loss.

◆ The concept of ECL (Expected Credit Loss)

The ECL is the present value of probability-weighted estimated credit losses (principal and interest). It is the present value of the difference between contractual cash flows and expected cash flows (including principal and interest).

The ECL approach aims to recognise expected credit losses as soon as possible.

◆ Governance and measurement of ECL

The governance of the provisioning measurement system is based on the organisation set up under the Basel framework. The Crédit Agricole Group Risks Department is responsible for defining the methodological framework and for the supervision of the mechanism for provisioning exposures.

The Crédit Agricole Group relies primarily on the internal rating system and the current Basel processes to generate the risk parameters needed to calculate expected credit losses. The assessment of changes in credit risk is based on a model that anticipates losses, and extrapolation on the basis of reasonable scenarios. All available, relevant, reasonable and justifiable information, including forward looking information, is used.

The calculation formula incorporates probability of default, loss given default and exposure at default parameters.

These calculations are largely based on internal models used for prudential monitoring, where they exist, with adjustments to calculate the ECL.

The measurement of ECL under French accounting standards is similar to the IFRS approach.

The accounting approach also involves recalculating certain Basel parameters, in particular to neutralise internal collection costs or floors imposed by the regulatory authorities for regulatory loss given default (LGD) calculations.

The methods for calculating expected credit losses are to be assessed according to the types of products: loans and receivables due from clients and off-balance sheet instruments.

The 12-month expected credit loss is a portion of lifetime expected credit losses, representing the lifetime cash flow shortfall occurring from a default within 12 months of the reporting date (or a shorter period if the exposure's expected life is shorter than 12 months), weighted by the probability of default within 12 months.

The expected credit loss is discounted using the effective interest rate determined on initial recognition of the financial instrument.

The provisioning parameters are measured and updated according to methodologies defined by the Crédit Agricole Group and are used to establish an initial level of reference, or shared base, for provisioning.

Backtesting of models and parameters used is carried out at least on a yearly basis.

Forward-looking macro-economic data are taken into account in a methodological framework applicable at two levels:

- At the level of the Crédit Agricole Group, in determining a shared framework for taking into account forward looking data in the projection of PD and LGD parameters over the transaction amortisation period;
- At the level of each entity with regard to its own portfolios. Crédit Agricole CIB applies additional forward looking parameters on portfolios of loans and receivables due from clients and performing and non-performing financing commitments when local economic and/or structural factors expose it to additional losses not covered by the scenarios defined at the Group level.

Significant deterioration of the credit risk

Crédit Agricole CIB assesses the deterioration of the credit risk of each exposure since inception at each closing date. This assessment of changes in credit risk enables entities to classify their transactions into risk buckets (performing exposures / non-performing exposures / impaired exposures).

To determine a significant deterioration in credit risk, the Crédit Agricole Group applies a process with two levels of analysis:

- a first level using relative and absolute rules and criteria, applied to Group entities;
- a second level specific to each entity related to the assessment, based on an expert opinion of additional forward looking parameters when local economic and/or structural factors expose it to additional losses not covered by the scenarios defined at the Group level, of the risk borne by each entity on its portfolios which could lead to an adjustment of the Group's criteria for downgrading performing exposures to non-performing exposures (by transferring the portfolio or sub-portfolio to lifetime ECL).

Significant deterioration is monitored for every financial instrument without exception. No contagion is required for a financial instrument from the same counterparty to be transferred from performing to non-performing. Monitoring of the significant deterioration in credit risk must cover the primary debtor, without taking into account guarantees, even for transactions guaranteed by the shareholder.

For exposures comprised of small loans with similar characteristics, the review by counterparty may be replaced by a statistical estimate of expected losses.

To measure the significant deterioration in credit risk since initial recognition, it is necessary to retrieve the internal rating and the PD (probability of default) applied on initial recognition.

The date of initial recognition refers to the trading date, when the entity becomes a party to the contractual provisions of the loan. For financing and guarantee commitments, the date of initial recognition is the date on which the irrevocable commitment is made.

For exposures not covered by an internal rating model, the Crédit Agricole Group uses amounts past due for more than 30 days as the ultimate threshold representing a significant deterioration in credit risk leading to classification as a non-performing exposure.

For exposures measured using an internal rating system (particularly those monitored using advanced methods), the Crédit Agricole Group considers that all of the information included in the rating system enables a more relevant assessment than just the criteria of arrears of over 30 days.

If the significant deterioration in credit risk since initial recognition is no longer observed, the provision can be reclassified to 12-month expected credit losses (reclassified as a performing loan).

When certain factors or indicators of a significant deterioration are not identifiable at the level of an exposure considered separately, an assessment is made of significant deterioration for portfolios, groups of portfolios or portions of portfolios of financial instruments.

The establishment of portfolios for an assessment of collective impairment can be based on common characteristics such as:

- The type of exposure;
- The credit risk rating;
- The type of guarantee;
- The date of initial recognition;
- The term to maturity;
- The sector of activity;
- The geographic location of the borrower;
- The value of the asset allocated as a guarantee in relation to the financial assets, if this has an effect on the probability of default (for example, in the case of loans guaranteed only by real security in certain countries, or the loan-to-value ratio);
- The distribution channel, the purpose of the loan, etc.

The grouping of assets for the purpose of assessing changes in credit risk on collective basis may change over time as new information becomes available.

Allocations to and reversals of provisions for credit risk on performing and non-performing exposures are booked as cost of risk.

NON-PERFORMING LOANS AND RECEIVABLES

Loans and receivables of all kinds, even those which are guaranteed, are classified as non-performing if they carry an identified credit risk arising from one of the following events:

- significant arrears, generally when a payment is more than ninety days past due, unless specific circumstances point to the fact that the delay is due to reasons beyond the debtor's control;
- the entity believes that the debtor is unlikely to settle its credit obligations in full unless it avails itself of certain measures such as the enforcement of collateral.

A loan is deemed to be non-performing when one or more events have occurred which have a negative effect on future estimated cash flows. The following events constitute observable data indicative of a non-performing loan:

- significant financial difficulties for the issuer or borrower;
- a breach of an agreement, such as a default or late payment;
- the granting by the lender(s) to the borrower, for economic or contractual reasons related to the borrower's financial difficul-

ties, of one or more favours that the lender(s) would not have considered in other circumstances;

- an increasing probability of bankruptcy or financial restructuring of the borrower;
- the disappearance of an active market for the financial asset due to financial difficulties;
- the purchase or the creation of a financial asset with a large discount, which reflects the credit losses incurred.

It is not necessarily possible to isolate a particular event as the impairment of the financial asset could result from the combined effect of several events.

A counterparty in default only returns to a performing situation after an observation period that confirms that the borrower is no longer at risk (assessment by the Risk Division).

Crédit Agricole CIB distinguishes between irrecoverable exposures and non-performing exposures.

Non-performing exposures

These are all non-performing loans which do not fall into the irrecoverable loans category.

Irrecoverable exposures

Non-performing loans are considered to be irrecoverable when collection is deemed to be highly unlikely and a write-off is considered.

For non-performing loans, interest continues to accrue as long as the loan is considered non-impaired and will no longer accrue when the loan becomes irrecoverable.

The classification as a non-performing exposure may be discontinued, in which case the outstanding amount is reclassified as a performing loan.

Impairment resulting from credit risk on non-performing exposures

Once a loan is classified as non-performing, Crédit Agricole CIB recognises the probable loss by recording an impairment charged against assets on the balance sheet. These impairment losses represent the difference between the carrying amount of the receivable and estimated future cash flows discounted at the initial effective interest rate, taking into account the borrower's financial condition, its business prospects and any guarantees, after deduction of the cost of enforcing such guarantees.

Probable losses in respect of off-balance sheet commitments are covered by provisions recognised in liabilities.

Accounting treatment of impairment losses

Allocations to and reversals of impairment for the risk of non-collection of non-performing loans is recognised in cost of risk.

In accordance with ANC Regulation 2014-07, the Group has chosen to recognise the increase in the book value arising from the reversal of the impairment related to the passage of time as net interest income.

WRITE-OFFS

The assessment of the write-off period is based on expert judgement, and Crédit Agricole CIB determines it with its Risk Division, based on its knowledge of its activity.

Loans and receivables which have become irrecoverable are recorded as losses, and the corresponding impairments are reversed.

COUNTRY RISKS

Country risks (or risks on international commitments) represent the total amount of non-impaired on and off-balance sheet commitments carried by an institution, either directly or via hive-off vehicles, involving private or public debtors residing in the countries identified by the French Prudential Supervision and Resolution Authority (ACPR), or where settlement thereof depends on the position of public or private debtors residing in those countries.

When these receivables are not classified as non-performing, they continue to be carried under their original classification.

RESTRUCTURED LOANS

Loans restructured due to financial difficulties are those for which the entity has changed the initial financial terms (interest rate, maturity, etc.) for economic or legal reasons related to the borrower's financial difficulties, in a manner that would not have been considered under other circumstances.

The definition of receivables restructured due to financial difficulties therefore involves two cumulative criteria:

- contractual modifications or refinancing of receivables (where concessions are granted);
- a client in financial difficulty (a debtor experiencing, or about to experience, difficulties in meeting their financial commitments).

This notion of restructuring must be assessed at the level of the contract and not at the client level (no contagion).

They can be non-performing or performing at the restructuring date.

Restructured loans do not include loans whose characteristics have been renegotiated on a commercial basis with counterparties not showing any insolvency problems.

The reduction of future cash flows granted to a counterparty, or the postponing of these flows as part of a restructuring, results in the recognition of a discount. It is equal to the difference between:

- The nominal value of the loan; and
- The sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The discount recognised when a loan is restructured is recorded under cost of risk.

Loans restructured due to the debtor's financial position are rated in line with the Basel rules and are impaired according to the estimated credit risk.

As soon as the restructuring operation has been carried out, the exposure maintains this status of "restructured" for a period of at least two years if the exposure was performing at the time of the restructuring, or three years if the exposure was in default at the time of the restructuring. These periods are extended if certain events occur (new incidents, for example).

1.2 Securities portfolio

The rules governing the recognition of credit risk and the impairment of fixed-income securities are defined by Articles 2311-1 to 2391-1 and Articles 2211-1 to 2251-13 of ANC Regulation 2014-07.

These securities are presented in the financial statements according to their nature: treasury bills (treasury bonds and similar securities), bonds and other fixed income securities (negotiable debt securities and interbank market instruments) and equities and other variable income securities.

They are classified in the portfolios specified by the regulations (trading, long term investment securities, short term investment securities, medium term investment securities, fixed assets, other long term securities, equity investments, shares in subsidiaries and affiliates) according to the entity's management strategy and the characteristics of the instrument at the time of its purchase.

TRADING SECURITIES

These are securities that were originally:

- Either purchased with the intention of selling them in the near future, or sold with the intention of repurchasing them in the near future;
- Or held by the bank as a result of its market-making activity. The classification of these securities as trading securities depends on the effective turnover of the securities and on a significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and resulting market prices must represent real transactions regularly undertaken in the market on an arm's length basis.

Trading securities also include:

- Securities bought or sold as part of specialised management of the trading portfolio, including forward financial instruments, securities or other financial instruments that are managed together and which show indications of a recent short term profit-taking profile;
- Securities on which there is a commitment to sell as part of an arbitrage transaction on an organised or similar market.
- Borrowed securities (including, where applicable, borrowed securities subsequently loaned and reclassified as "trading securities lent") in connection with lending/borrowing transactions classified as trading securities and offset against the liabilities representing the borrowed securities recorded on the liabilities side of the balance sheet.

Except as provided in ANC Regulation 2014-07, trading securities may not be reclassified into another accounting category. They continue to be presented and measured as trading securities until they are removed from the balance sheet after being sold, fully redeemed or written off.

Trading securities are recognised on the date they are purchased for the amount of their purchase price, excluding transaction expenses and including accrued interest.

Liabilities relating to securities sold short are recognised on the liabilities side of the seller's balance sheet for the amount of the selling price excluding incidental purchase costs.

At each closing date, securities are measured at the most recent market price. The overall amount of differences resulting from price changes is taken to profit and loss and recorded in "Net gain/(loss) on trading book".

SHORT TERM INVESTMENT SECURITIES

This category consists of securities that do not fall into any other category.

The securities are recorded at their purchase price, excluding fees.

Bonds and other fixed income securities

These securities are recognised at acquisition cost including accrued interests at acquisition date. The difference between the purchase price and the redemption value is spread over the remaining life of the security on an actuarial basis.

Income is recorded in the income statement under: "Interest and similar income on bonds and other fixed income securities".

Equities and other equity variable income securities

Equities are recognised in the balance sheet at their purchase price excluding acquisition fees. The associated dividends are recorded as income under "Income from variable-income securities".

Revenues from Undertakings for Collective Investment in Transferable Securities (UCITS) are recorded in the same item at the time of collection.

At each closing date, short term investment securities are measured at the lowest between acquisition cost and market value. If the current value of an item or a group of similar securities (calculated from market prices at the reporting date, for example) is lower than its carrying amount, an impairment loss is recorded for the unrealised loss with no offsetting against any gains recognised on other categories of securities. Gains from hedging within the meaning of ANC Regulation 2014-07, in the form of purchases or sales of forward financial instruments, are factored in for the purposes of calculating impairment losses. Potential gains are not recorded.

Impairment intended to take into account counterparty risk and recognised under cost of risk is recognised on fixed income securities as follows:

- In the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However, if Crédit Agricole CIB has specific information on the issuer's financial position that is not reflected in the market value, a specific impairment loss is recorded;
- In the case of unlisted securities, impairment is recorded in the same way as on loans and receivables due from clients based on identified probable losses (see Note 1.1 Loans and financing commitments – Impairment resulting from identified credit risk).

Sales of securities are deemed to take place on a first-in, first-out basis.

Impairment charges and disposal gains or losses on short term investment securities are recorded under "Net gain/(loss) from investment portfolios and similar". Income from equities and other variable income securities is recorded on the income statement under "Income from variable income securities".

LONG TERM INVESTMENT SECURITIES

Long term investment securities are fixed income securities with a fixed maturity date that have been acquired or transferred to this category with the clear intention of holding them until maturity.

This category only includes securities for which Crédit Agricole CIB has the necessary financial ability to continue holding them until maturity and that are not subject to any legal or other restriction that could interfere with its intention to hold them until maturity.

Long term investment securities are recognised at their purchase price, excluding acquisition costs and including accrued interest.

The difference between the purchase price and the redemption price is spread over the remaining life of the security.

Impairment is not recognised for long term investment securities if their market value falls below cost. However, if the impairment is associated with a risk specific to the issuer of the security, an impairment is recorded under «Cost of risk.»

In the case of the sale or reclassification to another category of long term investment securities representing a material amount, the reporting entity is no longer authorised to classify securities previously bought or to be bought as long term investment securities during the current financial year and the two subsequent financial years, in accordance with ANC Regulation 2014-07.

MEDIUM TERM PORTFOLIO SECURITIES

In accordance with ANC Regulation 2014-07, these securities are “investments made on a regular basis, with the sole aim of securing a capital gain in the medium term, with no intention of investing in the issuer’s business on a long term basis or taking an active part in its management”.

Securities can only be included in this category if the activity is carried out to a significant extent and on an ongoing basis within a structured framework and gives the reporting entity a recurring return mainly in the form of capital gains on disposals.

Crédit Agricole CIB meets these conditions and some of its securities can be classified in this category.

Medium term portfolio securities are recorded at purchase price, excluding transaction expenses.

They are recognised at the end of the reporting period at the lower of historical cost or value in use, which is determined on the basis of the issuer’s general outlook and the estimated remaining time horizon for holding the securities.

For listed companies, value in use is generally the average quoted price over a sufficiently long period of time, depending on the estimated time horizon for holding the securities, to mitigate the impact of substantial fluctuations in stock prices.

Impairment losses are booked for any unrealised losses calculated for each line of securities, and are not offset against any unrealised gains. Unrealised losses are recorded under “Net gains or losses on short term investment portfolios” along with impairment losses and reversals on these securities.

Unrealised gains are not recognised.

INVESTMENTS IN SUBSIDIARIES AND AFFILIATES, EQUITY INVESTMENTS AND OTHER LONG TERM EQUITY INVESTMENTS

- Investments in subsidiaries and affiliates are investments in companies that are under exclusive control and that are or are liable to be fully consolidated into a given group.
- Equity investments are investments (other than investments in subsidiaries and affiliates), of which the long term ownership is judged beneficial to the reporting entity, in particular because it allows it to exercise influence or control over the issuer.
- Other long term equity investments are composed of securities held with the intention of promoting long term business relations by creating a special relationship with the issuer, but with no influence on the issuer’s management due to the small percentage of voting rights held.

The securities are recorded at their purchase price, excluding fees.

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded in the balance sheet at the lowest of their historical cost or value in use.

Value in use represents the price the reporting entity would be prepared to pay to acquire these securities if it had to buy them having regard to its reasons for holding them.

Value in use may be estimated on the basis of various factors such as the issuer’s profitability and prospective profitability, its equity, the economic environment, the average share price in the preceding months or the mathematical value of the security.

When value in use is lower than historical cost, impairment losses are booked for these unrealised losses and are not offset against any unrealised gains.

Impairment losses and reversals and disposal gains or losses on these securities are recorded under “Net gains (losses) on fixed assets”.

MARKET PRICE

The market price at which the various categories of securities are measured is determined as follows:

- Securities traded on an active market are measured at the latest price;
- If the market on which the security is traded is not or no longer considered active or if the security is unlisted, Crédit Agricole CIB determines the likely value at which the security concerned would be traded using valuation techniques. Firstly, these techniques take into account recent transactions carried out on an arm’s length basis. If required, Crédit Agricole CIB uses valuation techniques commonly used by market participants to price these securities, when it has been demonstrated that these techniques provide reliable estimates of prices obtained in actual market transactions.

RECORDING DATES

Crédit Agricole CIB records securities classified as long term investment securities on the settlement/delivery date. Other securities, regardless of type or classification, are recognised on the trading date.

SECURITIES SOLD/BOUGHT UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements are kept on the balance sheet. The amount received, representing the liability to the buyer, is recorded as a liability. Securities bought under repurchase agreements are not recorded on the balance sheet, but the amount paid, representing the amount receivable from the seller, is recorded as an asset on the balance sheet.

The corresponding income and expenses are taken to profit and loss on a pro rata basis.

Securities sold under repurchase agreements are subject to the accounting principles corresponding to the category of portfolio from which they originate.

SECURITIES LOANED AND BORROWED

In the accounts of the lender, a receivable is recorded in the balance sheet representing the market price of the loaned securities on the date of the loan, in place of the loaned securities. At each closing date, the receivable is measured using the rules applicable to loaned securities, including the recognition of accrued interest on short term and long term investment securities. In the accounts of the borrower, the security is recorded as an asset under trading securities at the market price prevailing on the date the security was borrowed. A liability to the lender is recorded on the balance sheet under "Liabilities relating to securities lending transactions". At each closing date, the liability and the securities are measured at the most recent market price and recorded for their net amount on the balance sheet, in accordance with ANC Regulation No. 2020-10, amending ANC Regulation No. 2014-07 on the netting of securities borrowing transactions.

RECLASSIFICATION OF SECURITIES

In accordance with ANC Regulation 2014-07, the following securities may be reclassified:

- From the trading portfolio to the long term investment portfolio or the short term investment portfolio in the case of exceptional market conditions or, for fixed income securities that are no longer tradable in an active market and if the entity has the intention and ability to hold the securities for the foreseeable future or until maturity
- From the short term investment portfolio to the long term investment portfolio in exceptional market conditions or for fixed income securities that are no longer tradable in an active market.

In 2021, Crédit Agricole CIB did not make this type of reclassification pursuant to regulation ANC 2014-07.

1.3 Fixed assets

Crédit Agricole CIB applies ANC Regulation 2014-03 relating to the amortisation and impairment of assets.

Crédit Agricole CIB applies component accounting for all of its property, plant and equipment. In accordance with this method, the depreciable base takes into account the potential remaining value of property, plant and equipment.

The acquisition cost of fixed assets includes the purchase price plus any incidental expenses, namely expenses directly or indirectly incurred in connection with bringing the asset into service or "into inventory".

Land is recorded at acquisition cost.

Buildings and equipment are recorded at acquisition cost, less depreciation, amortisation and impairment losses accumulated over the period of use.

Purchased software is measured at purchase price less accumulated depreciation, amortisation and any impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation, amortisation and impairment losses booked since completion.

Intangible assets other than software, patents and licences are not amortised. They may be subject to impairment.

The technical merger losses are recognised in the balance sheet according to the asset classes to which they are allocated, under "Other property, plant and equipment, intangible assets and financial assets, etc." The loss is amortised, impaired and written off in the same way as the underlying asset.

Fixed assets are impaired over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole CIB following the application of component accounting for fixed assets. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years (accelerated or straight-line)
Special equipment	4 to 5 years (accelerated or straight-line)

Based on available information on the value of its fixed assets, Crédit Agricole CIB has concluded that impairment testing would not lead to any change in the existing depreciable amount.

1.4 Amounts due to clients and credit institutions

Amounts due to credit institutions, to Crédit Agricole entities and to clients are presented in the financial statements according to their remaining maturity or their nature:

- demand and term deposits for credit institutions,
- current accounts, term accounts and advances for Crédit Agricole internal transactions,
- special savings accounts and other amounts due to clients (notably including financial clients).

Repurchase agreements (represented by certificates or securities) are included under these various headings, according to counterparty type.

Accrued interest on these deposits is taken to profit or loss.

1.5 Debt securities

Debt securities are presented according to their form: interest-bearing notes, interbank market instruments, negotiable debt securities, bonds and other debt securities, excluding subordinated securities, which are classified in liabilities under "Subordinated debt".

Accrued interest not yet due is taken to profit or loss.

Issuance or redemption premiums on bonds are amortised over the lifetime of each bond. The corresponding expense is recorded under "Interest and similar expenses on bonds and other fixed income securities".

Redemption premiums and issuance premiums for debt securities are amortised according to the actuarial amortisation method.

Crédit Agricole CIB also amortises borrowing expenses in its parent company's financial statements.

1.6 Provisions

Crédit Agricole CIB applies ANC Regulation 2014-03 for the recognition and measurement of provisions.

Provisions include provisions relating to financing commitments, retirement and early retirement liabilities, litigation and various risks.

The provisions also include country risks. All these risks are reviewed quarterly.

Provisions are set aside for country risks following an analysis of the types of transactions, the term of commitments, their form (receivables, securities, market products) as well as the country risk rating.

Crédit Agricole CIB partially hedges provisions on these foreign currency-denominated receivables by buying foreign currency, to limit the impact of changes in foreign exchange rates on provision levels.

1.7 Transactions on forward financial instruments and options

Hedging and market transactions on forward interest rate, foreign exchange or equity instruments are recorded in accordance with the provisions of ANC Regulation 2014-07.

Commitments relating to these transactions are recorded off-balance sheet at the par value of the contracts: this amount represents the volume of pending transactions.

Gains or losses relating to these transactions are recorded on the basis of the nature of the instrument and the strategy used:

HEDGING TRANSACTIONS

Gains or losses realised on hedging transactions (category "b" Article 2522-1 of ANC Regulation 2014-07) are recorded in the income statement in the same manner as income and expenses on the hedged item and under the same accounting heading.

Income and expenses relating to forward financial instruments used for hedging and managing Crédit Agricole CIB's overall interest rate risk (category "c" Article 2522-1 of ANC Regulation 2014-07) are recorded pro rata under "Interest and similar income (expenses) – Net gain/(loss) on macro-hedging transactions". Unrealised gains and losses are not recorded.

MARKET TRANSACTIONS

Market transactions include:

- Isolated open positions (category "a" of Article 2522-1 of ANC Regulation 2014-07);
- The specialised management of a trading portfolio (category "d" Article 2522 of ANC Regulation 2014-07);
- Instruments traded on an organised or similar market, over the counter or included in a trading portfolio – within the meaning of regulation ANC 2014-07.

They are marked to market on the closing date.

If there is an active market, the instrument is stated at the quoted price on that market. In the absence of an active market, fair value is determined using internal valuation techniques and models.

For instruments:

- In isolated open positions traded on organised or similar markets, all gains and losses (realised or unrealised) are recognised;
- In isolated open positions traded on over-the-counter markets, the expenses and incomes are recognised in profit and loss on a pro rata basis. Furthermore, only potential unrealised losses are recognised through a provision. Realised gains and losses are recognised in profit (loss) at the time of settlement;
- Forming part of a transaction portfolio, all gains and losses (realised or unrealised) are recognised.

INTEREST RATE AND FOREIGN EXCHANGE TRANSACTIONS (SWAPS, FRAS, CAPS, FLOORS, COLLARS, SWAPTIONS)

Crédit Agricole CIB uses interest rate and currency swaps mainly for the following purposes:

1. To hedge interest rate risk affecting one item or a set of similar items;
2. To hedge and manage the Group's overall interest rate risk, except for transactions described in [1] and [3];
3. To carry out specialist management of a trading portfolio consisting of interest rate or currency swaps, other forward interest rate instruments, debt instruments or similar financial transactions.

Income and expenses related to transactions mentioned in the above section are recognised in the income statement as follows:

1. In the same manner as income and expenses on the hedged item or set of items
2. On a pro rata basis, with unrealised gains and losses not recognised
3. At market value, adjusted through an MTM adjustment to take into account counterparty risks and future administrative expenses related to these contracts.

Market value is determined by discounting future cash flows using the zero coupon method.

Instruments cannot be reclassified between categories, except for transfers from category [2] to category [1] or [3] in the event of an interrupted hedging relationship. Transfers are recognised at the net book value of the instrument, which is then subject to the rules of the portfolio to which it is transferred.

Up-front and termination fees regarding interest rate or foreign exchange contracts are spread over the remaining maturity of the transaction or hedged item, except in the case of marked-to-market contracts, for which they are taken directly to the income statement.

COUNTERPARTY RISK ON DERIVATIVE INSTRUMENTS

In accordance with ANC Regulation 2014-07, Crédit Agricole CIB includes the assessment of counterparty risk on derivative assets in the market value of derivatives. For this reason, only derivatives recognised as isolated open positions and in trading portfolios (respectively, derivatives classified in categories a and d of Article 2522-1 of the aforementioned regulation) are subject to a calculation of counterparty risk on derivative assets (CVA - Credit Valuation Adjustment).

The CVA makes it possible to calculate counterparty losses expected by Crédit Agricole CIB.

The CVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs.

It is based on:

- Primarily market data such as registered and listed CDS (or Single Name CDS) or index-based CDS;
- in the absence of registered CDS on the counterparty, an approximation based on a basket of Single Name CDS of counterparties with the same rating operating in the same sector and located in the same area.

In certain circumstances, historical default data may also be used.

FUNDING VALUATION ADJUSTMENT

The value of non-collateralised or partially collateralised derivative instruments incorporates a Funding Valuation Adjustment (FVA) that represents costs and benefits related to the financing of these instruments. This adjustment is measured based on positive or negative future exposure of transactions for which a cost of financing is applied.

OTHER INTEREST RATE OR EQUITY TRANSACTIONS

Crédit Agricole CIB uses various instruments such as interest rate futures and equity derivatives for trading or specific hedging purposes.

Contracts concluded for trading purposes are measured at market value, and the corresponding gains or losses are taken to the income statement.

Gains or losses, realised or unrealised, resulting from the mark-to-market measurement of specific hedging contracts are spread over the maturity life of the hedged instrument.

CREDIT DERIVATIVES

Crédit Agricole CIB uses credit derivatives mainly for trading, in the form of Credit Default Swaps (CDS). CDS concluded for trading purposes are measured at market value, and the corresponding gains or losses are taken to the income statement.

1.8 Foreign currency transactions

At each closing date, receivables and liabilities, as well as forward foreign exchange contracts recorded as off-balance-sheet commitments denominated in foreign currencies, are translated at the exchange rate in force on the reporting date.

Income received and expenses paid are recognised at exchange rates on the day of the transaction. Accrued income and expenses not yet due are translated at the closing rates.

Assets in foreign currencies held long term, comprising allocations to branches, fixed assets, investment securities, subsidiaries' securities and equity investments in foreign currency financed in euros are translated at the exchange rates on the date of acquisition (historical). A provision may be recognised if there is a permanent deterioration in the exchange rate affecting Crédit Agricole CIB's foreign equity interests.

At each reporting date, forward foreign exchange transactions are measured at the relevant forward exchange rate. Recognised gains or losses are taken to the income statement under "Gains or losses on trading book - Gains (losses) on foreign currency transactions and similar financial instruments".

Pursuant to the implementation of ANC Regulation 2014-07, Crédit Agricole CIB has instituted multi-currency accounting to enable it to monitor its currency position and to measure its exposure to foreign exchange risk.

The overall amount of the operational foreign exchange position of Crédit Agricole CIB Paris stood at €836 million on 31 December 2021 compared with €538 million on 31 December 2020.

SPOT AND FORWARD FOREIGN EXCHANGE CONTRACTS

At each closing date, spot foreign exchange contracts are measured at the spot exchange rate of the currency concerned. Forward foreign exchange transactions categorised as trading transactions are recognised at market value using the forward rate applicable to the remaining period of the contract. Recorded net gains or losses are recognised in the income statement under "Net gain/(loss) from trading portfolios – foreign exchange and similar financial instruments". Net gains and losses on forward foreign exchange transactions that are categorised as spot exchange transactions in connection with loans and borrowings are recognised on a pro rata basis over the term of the contracts.

CURRENCY FUTURES AND OPTIONS

Currency futures and options are used for trading purposes as well as to hedge specific transactions. Contracts concluded for trading purposes are measured at market value, and the corresponding gains or losses are taken to the income statement.

Realised or unrealised gains or losses resulting from the mark-to-market valuation of specific hedging contracts are recognised in the same manner as the hedged transaction.

1.9 Consolidation of foreign branches

Branches keep separate accounts that comply with the accounting rules in force in the countries in which they are based.

At each reporting date, foreign branches' balance sheets and income statements are adjusted according to French accounting rules, converted into euros and integrated with the accounts of their head office after eliminating intra-group transactions.

The rules for conversion into euros are as follows:

- Balance sheet items are translated at the closing rate,
- Income and expenses paid and received are recorded at the exchange rate on the transaction date, whereas accrued income and expenses are translated at the average rate of the period.

Gains or losses resulting from this translation are recorded in the balance sheet under "Accruals, prepayments and sundry assets" or "Accruals, deferred income and sundry liabilities".

1.10 Off-balance sheet commitments

Off-balance sheet items mainly reflect the unused portion of given and received financing commitments and guarantee commitments.

An expense is recognised as provisions for given commitments if there is a probability that calling in the commitment will result in a loss for Crédit Agricole CIB.

Reported off-balance sheet items do not mention commitments on forward financial instruments or foreign exchange transactions. Similarly, they do not include received commitments concerning treasury bonds, similar securities and other securities pledged as collateral.

1.11 Employee profit-sharing and incentive plans

Employee profit-sharing is recognised in the income statement in the financial year in which the employees' rights are earned.

Profit-sharing and incentive plans are covered by a company-wide agreement.

Profit-sharing and incentives are included in "Employee expenses".

1.12 Post-employment benefits

COMMITMENTS CONCERNING RETIREMENT, EARLY RETIREMENT AND RETIREMENT BENEFITS – DEFINED BENEFIT PLANS

Crédit Agricole CIB applies ANC Recommendation 2013-02 relating to the measurement and recognition of retirement and similar benefit obligations, such recommendation having then been repealed and incorporated in ANC Regulation 2014-03.

This recommendation was amended by the ANC on 5 November 2021. For defined benefit plans that subject benefits to conditions of seniority, for a maximum capped amount, and the employee's continued employment by the entity upon reaching retirement age, the recommendation allows the distribution of benefits to be determined on a straight-line basis based on:

- either the date on which the employee began employment
- or the date from which each year of employment is included in the calculation for the vesting of benefits

In accordance with this regulation, Crédit Agricole CIB sets aside provisions to cover its retirement and similar benefit obligations falling within the category of defined-benefit plans.

These obligations are measured on the basis of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. This charge is calculated based on the discounted future benefit.

As of fiscal year 2021, Crédit Agricole CIB applies the determination of the distribution of benefits on a straight-line basis from the date on which each year of employment is included in the calculation for the vesting of benefits (i.e. convergence with the IFRS IC decision of April 2021 on IAS 19). The impact on the level of actuarial liabilities was €37,335k.

The impact of the first-time application is recognised as an offsetting entry in Retained Earnings (see Note 15 on Changes in equity): it amounted to €37,335k, with an offsetting entry of €184,566k in terms of provisions for pension obligations (see Note 13 Provisions). There is no impact on surplus plan assets.

Crédit Agricole CIB elected to immediately recognise the actuarial gains and losses in profit or loss, and accordingly the amount of the provision is equal to:

- the present value of the defined benefit obligation at the reporting date, calculated using the actuarial method recommended by the regulation,
- minus the fair value of plan assets, as applicable. These may be represented by an eligible insurance policy. In the event that the obligation is fully covered by such a policy, the fair value of the policy is deemed to be the value of the corresponding obligation, i.e. the amount of the corresponding actuarial liability.

RETIREMENT PLANS – DEFINED CONTRIBUTION PLANS

There are various mandatory pension plans to which employers contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to provide all the benefits corresponding to the services rendered by staff during the current and previous years.

As a result, Crédit Agricole CIB has no liability in this respect other than the contributions payable for the past financial year.

The amount of contributions under the terms of these pension schemes is shown under "Employee expenses".

1.13 Stock options and subscription to shares offered to employees as part of the Company Savings Scheme

SUBSCRIPTIONS TO SHARES AS PART OF THE COMPANY SAVINGS SCHEME

Subscriptions to Crédit Agricole S.A. shares offered to employees under the Company Savings Scheme, with a maximum discount of 30%, do not include a vesting period but may not be sold or transferred for five years. These subscriptions to shares are recognised in accordance with provisions relative to capital increases.

1.14 Extraordinary income and expenses

These comprise income and expenses that are extraordinary in nature and relate to transactions that do not form part of Crédit Agricole CIB's ordinary activities.

1.15 Income tax charge

Generally, only tax that is payable is recognised in the parent company financial statements.

The tax expense shown in the income statement corresponds to income tax payable for the financial year. It includes social security contributions on profits of 3.3%, as well as provisions for taxes for the year.

Wholly owned, directly or indirectly, by the Crédit Agricole Group, Crédit Agricole CIB is part of the tax consolidation group constituted by Crédit Agricole Group and is the head of the Crédit Agricole CIB sub-group constituted with the subsidiaries that are members of the tax consolidation group.

Crédit Agricole CIB has signed a tax consolidation agreement with Crédit Agricole S.A. Under the terms of the agreement, the deficits generated by all subsidiaries of the Crédit Agricole CIB sub-Group will be compensated by Crédit Agricole.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge is kept under the heading "Income tax charge" in the income statement.

Given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) was to reduce employee expenses, Crédit Agricole CIB has chosen to recognise the CICE (Article 244 quater C of the French General Tax Code) as a reduction in employee expenses rather than a tax reduction.

NOTE 2: LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS - ANALYSIS BY RESIDUAL MATURITY

	31.12.2021							31.12.2020
€ million	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Loans and receivables:	-	-	-	-	-	-	-	-
- Demand	4,683	-	-	-	4,683	14	4,697	3,034
- Time	22,829	11,511	8,024	4,422	46,786	350	47,136	27,638
Pledged securities	-	-	-	-	-	-	-	-
Securities bought under repurchases agreements	44,826	7,538	2,667	-	55,031	67	55,098	53,382
Subordinated debt	-	-	-	323	323	-	323	306
Total	**72,338**	**19,049**	**10,691**	**4,745**	**106,823**	**431**	**107,254**	**84,360**
Impairment	-	-	-	-	(313)	(66)	(379)	(354)
Net carrying amount [1]	-	-	-	-	**106,510**	**365**	**106,875**	**84,006**

[1] *Among related parties, the main counterparty is Crédit Agricole S.A. (€31,049 million at 31.12.2021 and €15,369 million at 31.12.2020).*

NOTE 3: LOANS AND RECEIVABLES DUE FROM CUSTOMERS

At 31 December 2021, in line with the economic stimulus measures implemented in response to the Covid-19 crisis, outstanding government-backed loans granted by Crédit Agricole CIB amounted to €1,995 million.

3.1 Analysis by residual maturity

	31.12.2021							31.12.2020
€ million	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Trade receivables	9,931	5,054	8,762	2,183	25,930	60	25,990	23,476
Other customer loans [1]	22,612	12,567	49,050	13,848	98,077	385	98,462	91,695
Pledged securities	-	-	-	-	-	-	-	-
Securities bought under repurchases agreements	52,235	11,656	3,232	-	67,123	22	67,145	75,635
Current accounts in debit	1,645	-	-	-	1,645	4	1,649	400
Impairment	-	-	-	-	(1,489)	(210)	(1,699)	(1,747)
Net carrying amount [1]	**-**	**-**	**-**	**-**	**191,286**	**261**	**191,547**	**189,459**

[1] *Subordinated loans granted to customers amounted to €310 million at 31.12.2021 compared to €350 million at 31.12.2020.*

3.2 Analysis by geographic area of beneficiaries

€ million	31.12.2021	31.12.2020
France (including overseas departements and territories)	35,623	36,693
Other EU countries	29,005	42,121
Rest of Europe	19,095	5,945
North America	35,218	33,881
Central and South America	13,763	16,624
Africa and Middle-East	11,878	10,610
Asia and Pacific (excl. Japan)	20,168	18,484
Japan	28,025	26,359
Supranational organisations	-	-
Total principal	**192,775**	**190,717**
Accrued interest	471	489
Impairment	(1,699)	(1,747)
Net carrying amount	**191,547**	**189,459**

3.3 Doubtful loans, bad debts and impairment by geographic are

€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts	Coverage %
	31.12.2021					
France (including overseas departements and territories)	35,623	464	170	(143)	(168)	49.05%
Other EU countries	29,005	250	188	(124)	(174)	68.04%
Rest of Europe	19,095	255	23	(41)	(23)	23.02%
North America	35,218	126	53	(25)	(53)	43.58%
Central and South America	13,763	696	335	(160)	(305)	45.10%
Africa and Middle-East	11,878	119	103	(42)	(95)	61.71%
Asia and Pacific (excl. Japan)	20,168	153	76	(49)	(69)	51.53%
Japan	28,025	179	-	(17)	-	9.50%
Supranational organisations	-	-	-	-	-	-
Accrued interest	471	90	120	(90)	(120)	100.00%
Net carrying amount	**193,246**	**2,332**	**1,068**	**(691)**	**(1,007)**	**49.94%**

€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts	Coverage %
	31.12.2020					
France (including overseas departements and territories)	36,693	423	185	(112)	(184)	48.68%
Other EU countries	42,121	460	222	(197)	(215)	60.41%
Rest of Europe	5,945	154	7	(46)	(7)	32.92%
North America	33,881	234	-	(69)	-	29.49%
Central and South America	16,624	642	283	(162)	(223)	41.62%
Africa and Middle-East	10,610	144	163	(22)	(151)	56.35%
Asia and Pacific (excl. Japan)	18,484	173	89	(45)	(82)	48.47%
Japan	26,359	278	-	(12)	-	4.32%
Supranational organisations	-	-	-	-	-	-
Accrued interest	489	92	128	(92)	(128)	100.00%
Net carrying amount	**191,206**	**2,600**	**1,077**	**(757)**	**(990)**	**47.51%**

3.4 Analysis by customer type

€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts
	31.12.2021				
Individual customers	-	-	-	-	-
Farmers	-	-	-	-	-
Other small businesses	-	-	-	-	-
Financial institutions	78,615	201	205	(97)	(188)
Corporates	105,449	2,041	710	(504)	(685)
Local authorities	8,711	-	33	-	(14)
Other customers	-	-	-	-	-
Accrued interest	471	90	120	(90)	(120)
Carrying amount	**193,246**	**2,332**	**1,068**	**(691)**	**(1,007)**

€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts
	31.12.2020				
Individual customers	427	-	-	-	-
Farmers	-	-	-	-	-
Other small businesses	-	-	-	-	-
Financial institutions	83,519	203	199	(69)	(173)
Corporates	96,380	2,305	706	(596)	(675)
Local authorities	10,391	-	44	-	(14)
Other customers	-	-	-	-	-
Accrued interest	489	92	128	(92)	(128)
Carrying amount	**191,206**	**2,600**	**1,077**	**(757)**	**(990)**

NOTE 4: TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND MEDIUM-TERM PORTFOLIO SECURITIES

	31.12.2021					31.12.2020
€ million	Trading securities [2]	Short-term investment securities	Medium-term portfolio securities	Long-term investment securities	Total	Total
Treasury Bills and similar securities	**14,748**	**1,573**	**-**	**6,856**	**23,177**	**21,463**
O/W residual net premium	-	(7)	-	(5)	(12)	(12)
O/W residual net discount	-	11	-	47	58	99
Accrued interest	1	9	-	6	16	26
Impairment	-	-	-	-	-	-
Net carrying amount	**14,749**	**1,582**	**-**	**6,862**	**23,193**	**21,489**
Bonds and other fixed income securities [1]	**10,214**	**11,167**	**-**	**11,691**	**33,072**	**28,512**
Issued by public bodies	2,704	4,167	-	3,199	10,070	8,185
Other issuers	7,510	7,000	-	8,492	23,002	20,327
O/W residual net premium	-	(41)	-	(16)	(57)	(54)
O/W residual net discount	-	28	-	60	88	99
Accrued interest	-	49	-	42	91	93
Impairment	-	(4)	-	-	(4)	(4)
Net carrying amount	**10,214**	**11,212**	**-**	**11,733**	**33,159**	**28,601**
Equities and other equity variable-income securities	**6,850**	**175**	**10**	**-**	**7,035**	**5,839**
Accrued interest	-	-	-	-	-	-
Impairment	-	(38)	-	-	(38)	(41)
Net carrying amount	**6,850**	**137**	**10**	**-**	**6,997**	**5,798**
Total	**31,813**	**12,931**	**10**	**18,595**	**63,349**	**55,888**
Estimated value	**31,813**	**12,940**	**17**	**17,936**	**62,706**	**56,087**

[1] Subordinated loans in the portfolio amount to €33 million at 31.12.2021 compared to €40 million at 31.12.2020.

[2] Apart from borrowed trading securities (including, if need be, borrowed securities that have been lent and classified as "trading securities on loan") presented in deduction of payables representative of borrowed securities value shown on the liability side of the balance sheet (Cf. Note 20 Debt securities clearing).

Disposal of investment securities prior to the maturity, in accordance with the exemption clauses laid down by the ANC Regulation 2014-07, amounted to €445 million for Crédit Agricole CIB. The added value gained from it amounted to €6 million.

4.1 Reclassification

At 01.10.2008, Crédit Agricole CIB carried out reclassifications of securities as permitted by CRC Regulation 2008-17. There were no additional reclassifications of securities between 2009 and 2021. At 31.12.2021, the balance sheet value was nil. Changes over the year are detailed below.

CONTRIBUTION TO INCOME OF TRANSFERRED ASSETS SINCE RECLASSIFICATION

The contribution from assets transferred to net income for the financial year since the date of reclassification comprises all profits, losses, income and expenses recognised in the income statement and other comprehensive income or expenses.

	Pre-tax impact on 2009 earnings since reclassification (Assets reclassified before 2009)					
	Cumulative impact at 31.12.2020		2021 Impact		Cumulative impact at 31.12.2021	
€ million	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)
From trading to investment securities	(99)	(100)	-	-	(99)	(100)

4.2 Breakdown of listed and unlisted securities between fixed income and variable-income securities

	31.12.2021				31.12.2020			
€ million	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total
Listed securities	32,796	23,177	6,946	62,919	28,326	21,463	5,824	55,613
Unlisted securities	276	-	89	365	186	-	15	201
Accrued interest	91	16	-	107	93	26	-	119
Impairment	(4)	-	(38)	(42)	(4)	-	(41)	(45)
Net carrying amount	**33,159**	**23,193**	**6,997**	**63,349**	**28,601**	**21,489**	**5,798**	**55,888**

4.3 Treasury bills, bonds and other fixed-income securities - Analysis by residual maturity

	31.12.2021							31.12.2020
€ million	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed income securities								
Gross amount	4,311	4,870	14,766	9,125	33,072	91	33,163	28,605
Impairment	-	-	-	-	-	-	(4)	(4)
Net carrying amount	**4,311**	**4,870**	**14,766**	**9,125**	**33,072**	**91**	**33,159**	**28,601**
Treasury bills and similar items								
Gross amount	3,642	4,034	4,975	10,526	23,177	16	23,193	21,489
Impairment	-	-	-	-	-	-	-	-
Net carrying amount	**3,642**	**4,034**	**4,975**	**10,526**	**23,177**	**16**	**23,193**	**21,489**

4.4 Treasury bills, bonds and other fixed-income securities - Analysis by geographic area

€ million	31.12.2021	31.12.2020
France (including overseas departements and territories)	12,642	12,393
Other EU countries	17,860	20,119
Other european countries	4,328	754
North America	8,930	7,427
Central and South America	290	112
Africa and Middle-East	640	546
Asia and Pacific (excl. Japan)	7,865	5,936
Japan	3,500	2,650
Supranational organisations	194	38
Total principal	**56,249**	**49,975**
Accrued interest	107	119
Impairment	(4)	(4)
Net carrying amount	**56,352**	**50,090**

NOTE 5: EQUITY INVESTMENTS AND SUBSIDIARIES

Company	Share capital	Share capital	Premiums reserves and retained earnings before appropriation of earnings	Percentage of share capital owned	Carrying amounts of securities owned	Loans and receivables outstanding granted by the Company and not yet paid back	Guarantees and other commitments given by the Company	NBI or revenue (ex VAT) for the year ended (from audited financial statements of 2019)	Net income for the year ended	Dividends received by the Company during the financial year
		In million of original currency units	*In million of original currency units*	*In %*	*€ million*	*In million of original currency units*	*In million of original currency units*	*In million of original currency units*	*In million of original currency units*	*€ million*
I - Detailed information on investments whose gross carrying amount exceeds 1% of Crédit Agricole CIB's share capital										
A - Subsidiaries (more than 50% owned by Crédit Agricole CIB)										
BANCO CA BRASIL SA	BRL	2,107	237	82	434	-	USD 3	2,534	64	2
CA GLOBAL PARTNERS Inc	USD	723	269	100	535	-	-	-	46	-
CA PRIVATE BANKING	EUR	2,650	124	100	2,650	EUR 340	-	108	27	-
CA-CIB (China) Limited	CNY	4,799	593	100	765	CNY 6 600	CNY 16 453 EUR 3 USD 30 PKR 389 SEK 3 CHF 2 DZD 121	663	134	-
CA-CIB Global Banking	EUR	145	126	100	243	-	-	2	(32)	-
CASA BV	JPY	12,691	18,276	100	247	-	-	10,395	4,269	-
Subtotal (1)	**-**	**-**	**-**	**-**	**4,874**	**-**	**-**	**-**	**-**	**-**
B - Banking affiliates (10 and 50% owned by Crédit Agricole CIB)										
-	-	-	-	-	-	-	-	-	-	-
Subtotal (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
II - General information relating to other subsidiaries and affiliates										
A - Subsidiaries not covered in I. above (3)					**443**	**-**	**-**	**-**	**-**	**-**
a) French subsidiaries (aggregate)					164	-	-	-	-	-
b) Foreign subsidiaries (aggregate)					279	-	-	-	-	-
B - Affiliates not covered in I. above (4)					**238**	**-**	**-**	**-**	**-**	**-**
a) French affiliates (aggregate)					58	-	-	-	-	-
b) Foreign affiliates (aggregate)					180	-	-	-	-	-
Total associates (1) + (2) + (3) + (4)					**5,555**	**-**	**-**	**-**	**-**	**-**

5.1 Estimated value of equity investments

€ million	31.12.2021		31.12.2020	
	Net carrying amount	Estimated value	Net carrying amount	Estimated value
Investments in subsidiaries and affiliates				
Unlisted securities	6,366	7,377	7,145	8,694
Listed securities	-	-	-	-
Advances available for consolidation	-	-	-	-
Accrued interest	1	-	3	-
Impairment	(1,035)	-	(907)	-
Net carrying amount	**5,332**	**7,377**	**6,241**	**8,694**
Equity investments and other long-term investment securities				
Equity investments	**-**	**-**	**-**	**-**
Unlisted securities	280	198	304	179
Listed securities	75	100	101	240
Advances available for consolidation	-	-	-	-
Accrued interest	-	-	-	-
Impairment	(139)	-	(171)	-
Sub-total of equity investments	**216**	**298**	**234**	**419**
Other long term equity investments	**-**	**-**	**-**	**-**
Unlisted securities	9	10	9	10
Listed securities	-	-	-	-
Advances available for consolidation	-	-	-	-
Accrued interest	-	-	-	-
Impairment	(2)	-	(1)	-
Sub-total of long term equity investments	**7**	**10**	**8**	**10**
Overseas branch allocations	**-**	**-**	**-**	**-**
Net carrying amount	**223**	**308**	**242**	**429**
Total of equity investments	**5,555**	**7,685**	**6,483**	**9,123**

As regards listed securities, the market value shown in the above table is the quoted price of the shares on their trading market at 31 December. It may not be representative of the realisable value of the securities.

€ million	31.12.2021	31.12.2020
	Net carrying amount	Net carrying amount
Total gross value		
Unlisted securities	6,655	7,458
Listed securities	75	101
Total	**6,730**	**7,559**

NOTE 6: MOVEMENTS IN FIXED ASSETS

€ million	31.12.2020	Change in scope	Merger	Increase (acquisitions)	Decrease (disposals, maturity)	Translation difference	Other movements	31.12.2021
Equity investments								
Gross amount	405	-	(11)	2	(47)	6	-	355
Impairment	(171)	-	9	(2)	25	-	-	(139)
Other long-term equity investment								
Gross amount	9	-	-	-	-	-	-	9
Impairment	(1)	-	-	(1)	-	-	-	(2)
Overseas branch allocations	-	-	-	-	-	-	-	-
Subtotal	**242**	**-**	**(2)**	**(1)**	**(22)**	**6**	**-**	**223**
Investments in subsidiaries and affiliates								
Gross amount	7,145	-	(1,150)	368	-	3	-	6,366
Impairment	(907)	-	-	(177)	47	2	-	(1,035)
Advances available for consolidation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Accrued interest	**3**	**-**	**-**	**2**	**(4)**	**-**	**-**	**1**
Net carrying amount	**6,483**	**-**	**(1,152)**	**192**	**21**	**11**	**-**	**5,555**
Intangible assets	**221**	**-**	**-**	**91**	**(71)**	**-**	**-**	**241**
Gross amount	544	-	-	145	(81)	6	-	614
Depreciation	(323)	-	-	(54)	10	(6)	-	(373)
Property, plant and equipment	**80**	**-**	**-**	**1**	**(1)**	**-**	**-**	**80**
Gross amount	446	-	-	19	(7)	23	-	481
Depreciation	(366)	-	-	(18)	6	(23)	-	(401)
Financial lease and similar operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Net carrying amount	**301**	**-**	**-**	**92**	**(72)**	**-**	**-**	**321**

NOTE 7: ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

€ million	31.12.2021	31.12.2020
Other asset [1]	**40,030**	**53,956**
Financial options bought	16,439	23,127
Collective management of Livret de Développement Durable (LDD) saving account securities	-	-
Miscellaneous debtors[2]	22,553	30,711
Settlement accounts	1,038	118
Due from shareholders - Unpaid capital	-	-
Accruals and prepayments	**96,362**	**126,963**
Items in course of transmission	-	-
Adjustement accounts	94,814	126,451
Accrued income	1,347	383
Prepaid expenses	166	86
Unrealised losses and deferred losses on financial instruments	-	-
Bond issue and redemption premiums	-	-
Other accrual prepayments and sundry assets	35	43
Net carrying amount	**136,392**	**180,919**

[1] *The amounts shown are net of impairment and include accrued interest.*
[2] *Including €219 million for the contribution to the Guarantee and Resolution Fund paid in the form of a security deposit.*
This deposit is usable by the Resolution and Guarantee Fund, at any time and without conditions, to finance an intervention

NOTE 8: IMPAIRMENT LOSSES DEDUCTED FROM ASSETS

€ million	31.12.2020	Change in scope	Merger	Depreciation charges	Reversals and utilisations	Translation differences	Other movements	31.12.2021
Cash, money-market and interbank items	354	-	-	2	(1)	24	-	379
Loans and receivables due from customers	1,747	-	-	431	(577)	86	12	1,699
Securities transactions	45	-	-	19	(23)	1	-	42
Participating interests and other long-term investments	1,079	-	(9)	180	(72)	(2)	-	1,176
Other	189	-	-	5	(9)	15	-	200
Total	**3,414**	**-**	**(9)**	**637**	**(682)**	**124**	**12**	**3,496**

NOTE 9: DUE TO CREDIT INSTITUTIONS - ANALYSIS BY RESIDUAL MATURITY

	31.12.2021							31.12.2020
€ million	≤ 3months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Accounts and overdrafts	-	-	-	-	-	-	-	-
Demand	8,486	-	-	-	8,486	-	8,486	4,902
Time	29,882	6,605	33,988	8,424	78,899	151	79,050	65,510
Pledged securities	-	-	-	-	-	-	-	-
Securities sold under repurchase agreements	19,097	2,768	6,280	50	28,195	23	28,218	14,344
Carrying amount [1]	**-**	**-**	**-**	**-**	**-**	**-**	**115,754**	**84,756**

[1] *Of which transactions carried out with Crédit Agricole S.A : €54,984 million at 31.12.2021 compared to €43,795 million at 31.12.2020.*

NOTE 10: DUE TO CUSTOMERS

10.1 Analysis by residual maturity

	31.12.2021							31.12.2020
€ million	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Current accounts in credit	52,022	-	-	-	52,022	5	52,027	53,968
Other accounts due to customers	71,502	5,782	2,846	2,516	82,646	40	82,686	77,470
Securities sold under repurchase agreements	60,942	2,000	250	3	63,195	42	63,237	75,883
Carrying amount	-	-	-	-	-	-	**197,950**	**207,321**

10.2 Analysis by geographic area

€ million	31.12.2021	31.12.2020
France (including overseas departements and territories)	39,681	41,577
Other EU countries	38,566	46,580
Rest of Europe	26,391	4,676
North America	46,521	66,026
Central and South America	12,527	18,492
Africa and Middle-East	5,009	2,877
Asia and Pacific (excl. Japan)	12,810	9,418
Japan	16,358	17,599
Supranational organisations	-	-
Total principal	**197,863**	**207,245**
Accrued interest	87	76
Carrying amount	**197,950**	**207,321**

10.3 Analysis by customer type

€ million	31.12.2021	31.12.2020
Individuals customers	15	432
Farmers	-	-
Other small businesses	-	-
Financial institutions	72,332	100,492
Corporates	109,576	99,654
Local authorities	15,940	6,667
Other customers	-	-
Total principal	**197,863**	**207,245**
Accrued interest	87	76
Carrying amount	**197,950**	**207,321**

NOTE 11: DEBT SECURITIES

11.1 Analysis by residual maturity

€ million	31.12.2021							31.12.2020
	≤ 3months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Interest-bearing notes	31	-	-	-	31	-	31	232
Money-market instruments	-	-	-	-	-	-	-	-
Negotiable debt securities:	12,057	7,796	4,058	9,197	33,108	66	33,174	26,923
Issued in France	709	1,110	4,058	9,197	15,074	64	15,138	12,664
Issued abroad	11,348	6,686	-	-	18,034	2	18,036	14,259
Bonds	-	650	2,813	754	4,217	2	4,219	4,103
Other debt instruments	-	-	-	-	-	-	-	-
Carrying amount	**-**	**-**	**-**	**-**	**37,356**	**68**	**37,424**	**31,258**

11.2 Bonds

€ million	Outstanding schedule at 31.12.2021			Outstanding at 31.12.2021	Outstanding at 31.12.2020
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Euro	**650**	**2,070**	**700**	**3,420**	**3,420**
Fixed rate	-	-	-	-	-
Variable rate	650	2,070	700	3,420	3,420
Other currencies	**-**	**743**	**54**	**797**	**681**
Fixed rate	-	96	54	150	87
Variable rate	-	647	-	647	594
Total principal	**650**	**2,813**	**754**	**4,217**	**4,101**
Fixed rate	-	96	54	150	87
Variable rate	650	2,717	700	4,067	4,014
Related payables	-	1	1	2	2
Carrying amount	**-**	**-**	**-**	**4,219**	**4,103**

NOTE 12: ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIE

€ million	31.12.2021	31.12.2020
Other liabilities [1]	**80,293**	**88,046**
Counterparty transactions (trading securities)	41,791	36,568
Liabilities relating to stock lending transactions [2]	11	2
Optional instruments sold	18,321	24,330
Miscellaneous creditors	18,935	26,730
Settlement accounts	1,235	416
Payments in process	-	-
Other	-	-
Accruals and deferred income	**98,674**	**126,261**
Items in course of transmission	518	152
Adjustment accounts	95,217	123,635
Unearned income	393	349
Accrued expenses	2,157	1,951
Unrealised gains and deferred gains on financial instrument	-	-
Other accruals prepayments and sundry assets	389	174
Carrying amount	**178,967**	**214,307**

[1] *Amounts include accrued interests.*

[2] *Liabilities relating to stock lending transactions are shown after deduction of borrowed trading securities (including, if need be, borrowed securities that have been lent and classified as "trading securities on loan") (Cf. Note 20 Debt securities clearing).*

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NOTE 13: PROVISIONS

€ million	31.12.2020	Change in scope [3]	Merger	Depreciation charges	Reversals and utilisations	Translation differences	Other movements	31.12.2021
Country risks	452	-	-	38	(59)	14	-	445
Financing commitment execution risks	325	-	-	407	(323)	(19)	-	390
Employee retirement and similar benefits	235	(37)	-	14	(30)	3	-	185
Financial instruments	-	-	-	-	-	-	-	-
Litigations and others [1]	706	-	-	34	(184)	5	-	561
Other provisions [2]	1,852	-	-	763	(864)	1	-	1,752
Carrying amount	**3,570**	**(37)**	**-**	**1,256**	**(1,460)**	**4**	**-**	**3,333**

[1] Of which: - tax disputes: €265 million, - customer litigation: €279 million, - social litigation: €17 million.
[2] Including, for Crédit Agricole CIB Paris : - other risks and expenses: €1,304 million.
[3] Impact due to the modification done on 5 November 2021 of recommendation 2013-02 about the calculation of pension commitments and similar benefits.

13.1 Tax audits

CRÉDIT AGRICOLE CIB PARIS TAX AUDIT

After an audit of the financial statements for financial years 2017 and 2018, adjustments were carried out on Crédit Agricole CIB as part of a proposed adjustment received at the end of December 2021. Crédit Agricole CIB is challenging the proposed adjustments. A provision was recognised to cover the estimated risk.

13.2 Inquiries and requests for information from regulators

OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (i.e. €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Fed) and the New-York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. On October 19, 2018 the two deferred prosecution agreements with USAO and DANY ended at the end of the three year period, Crédit Agricole CIB having complied with all its obligations under the DPAs.

Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole's compliance program is subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

EURIBOR/LIBOR AND OTHER INDEXES

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a statement of objection to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the General Court of the European Union to overturn it.

The Swiss competition authority, COMCO, has conducted an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. This investigation was closed following a settlement procedure under which Crédit Agricole S.A agreed to pay a penalty of CHF 4.465.701 and proceedings costs amounting to CHF 187.012 without any admission of guilt. Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The investigation into certain foreign exchange derivatives (ABS-NDF) has been closed by the KFTC according to a decision notified to Crédit Agricole CIB on 20 December 2018.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is at the preliminary stage that consists in the examination of its admissibility; proceedings are still suspended before the US District Court of New York State. Concerning the"Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB introduced a motion to dismiss the applicants' claim. The US District Court of New York State upheld the motion to dismiss regarding Crédit Agricole S.A. and Crédit Agricole CIB in first instance. On 14 June 2019, the plaintiffs appealed this decision.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. After having granted a first motion to dismiss filed by Crédit Agricole S.A. and Crédit Agricole CIB, the New York Federal District Court, ruling on a new request by the plaintiffs, excluded Crédit Agricole S.A. from the Frontpoint case on the grounds that it had not contributed to the relevant indexes. The Court considered, however, taking into account recent developments in case law, that its jurisdiction could apply to Crédit Agricole CIB, as well as to all the banks that are members of the SIBOR index panel. The allegations contained in the complaint regarding the SIBOR/USD index and the SOR index were also rejected by the court, therefore the index SIBOR/Singapore dollar alone is still taken into account. On 26 December, the plaintiffs filed a new complaint aimed at reintroducing into the scope of the Frontpoint case the alleged manipulations of the SIBOR and SOR indexes that affected the transactions in US dollars. Crédit Agricole CIB, alongside the other defendants, objected to this new complaint at the hearing held on 2 May 2019 before the New York Federal District Court. On July 26, 2019, the Federal Court granted the defendants' motion to dismiss. The plaintiffs filed a notice of appeal on August 26, 2019.

On March 17, 2021, a three-judge panel of the Court of Appeal of the 2nd Circuit reversed the dismissal and returned the case to the District Court. The defendants, including Crédit Agricole CIB, requested the Second Circuit Court to rehear the case "en banc" (all the active judges of the Court). This motion was denied by the Second Circuit Court on May 6, 2021. Another motion was filed on May 12, 2021 by the defendants seeking a stay of this decision remanding the case to the District Court, which was rejected on May 24, 2021. On October 1, 2021, the defendants filed a petition for writ of certiorari with the US Supreme Court, which decided on January 10, 2022 not to hear the case. A new petition, currently under review, has been filed by the defendants before the District Court in an attempt to stop this action. These class actions are civil actions in which the plaintiffs claim that they are victims of the methods used to set the Euribor, Libor, SIBOR and SOR rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees paid.

BONDS SSA

Several regulators requested information to Crédit Agricole S.A. and to Crédit Agricole CIB for investigations relating to activities of different banks involved in the secondary trading of Bonds SSA (Supranational, Sub-Sovereign and Agencies) denominated in American dollars. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information available. On 20 December 2018, the European Commission issued a Statement of Objections to a number of banks including Crédit Agricole S.A. and Crédit Agricole CIB within its inquiry on a possible infringement of rules of European Competition law in the secondary trading of Bonds SSA denominated in American dollars. Crédit Agricole S.A. and Crédit Agricole CIB became aware of these objections and issued a response on 29 March 2019, followed by an oral hearing on 10-11 July 2019.

In a decision dated 28 April 2021, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €3,993,000 for participating in a cartel in the secondary trading market of Bonds SSA denominated in American dollars. On 7 July 2021, Crédit Agricole S.A. and Crédit Agricole CIB appealed this decision to the General Court of the European Union.

Crédit Agricole CIB was included with other banks in a putative consolidated class action before the United States District Court for the Southern District of New York. That action was dismissed on 29 August 2018 on the basis that the plaintiffs failed to allege an injury sufficient to give them standing. However the plaintiffs were given an opportunity to attempt to remedy that defect. The plaintiffs filed an amended complaint on 7 November 2018. Crédit Agricole CIB as well as the other defendants filed motions to dismiss the amended complaint. An order issued on 30 September 2019 dismissed the class action against CACIB for lack of personal jurisdiction and, in a subsequent ruling, the Court held that the plaintiffs had in any event failed to state a claim for violation of US antitrust law. In June 2020, the plaintiffs took an appeal from both of the Court's orders. On 19 July 2021, the Second Circuit Court of Appeals affirmed the district court's holding that plaintiffs had failed to state a claim for violation of US antitrust law. Plaintiffs' deadline to seek further review of the district court's decision from the US Supreme Court passed on 2 December 2021 without plaintiffs taking any further action, and the action therefore is concluded.

On 7 February 2019, a second class action was filed against CACIB and the other defendants named in the class action already pending before the United States District Court for the Southern District of New York. In July 2020, the plaintiffs voluntarily discontinued the action but the claim could be revived.

On 11 July 2018, Crédit Agricole S.A. and Crédit Agricole CIB were notified with other banks of a class action filed in Canada, before the Ontario Superior Court of Justice. Another class action has been filed before the Federal Court of Canada. The action before the Ontario Superior Court of Justice was dismissed on 19 February 2020.

O'SULLIVAN AND TAVERA

On November 9, 2017, a group of individuals, (or their families or estates), who claimed to have been injured or killed in attacks in Iraq filed a complaint ("O'Sullivan I") against several banks including Crédit Agricole S.A., and its subsidiary Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB), in US Federal District Court in New York.

On December 29, 2018, the same group of individuals, together with 57 new plaintiffs, filed a separate action ("O'Sullivan II") against the same defendants.

On December 21, 2018, a different group of individuals filed a complaint ("Tavera") against the same defendants.

All three complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants conspired with Iran and its agents to violate US sanctions and engage in transactions with Iranian entities in violation of the US Anti-Terrorism Act and the Justice Against Sponsors of Terrorism Act. Specifically, the complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants processed US dollar transactions on behalf of Iran and Iranian entities in violation of sanctions administered by the US Treasury Department's Office of Foreign Assets Control, which allegedly enabled Iran to fund terrorist organizations that, as is alleged, attacked plaintiffs. The plaintiffs are seeking an unspecified amount of compensatory damages.

On 2 March 2018, Crédit Agricole CIB and other defendants filed a motion to dismiss the O' Sullivan I Complaint. On 28 March 2019, the Court granted defendants' motion to dismiss. On 22 April 2019, the plaintiffs filed a motion to amend their complaint. Defendants submitted an opposition to that motion on 20 May 2019 and plaintiffs filed a reply on 10 June 2019. On 25 February 2020 the plaintiffs' motion to amend their complaint was denied and their original complaint dismissed with prejudice.

On 28 May 2020, plaintiffs filed a motion requesting that the court enter a final judgment against defendants to allow an appeal. On 11 June 2020, the defendants filed an opposition to plaintiffs' motion, and plaintiffs filed a reply brief on 18 June 2020. On 29 June 2021, the court denied plaintiffs' motion.

On 28 July 2021, the court stayed the O'Sullivan I action pending a decision in the appeal in a related case, Freeman vs. HSBC Holdings, PLC, No. 19-3970 (2d. Cir.). (The O'Sullivan II and Tavera cases have been previously stayed pending that appeal.)

INTERCONTINENTAL EXCHANGE, INC. ("ICE")

On January 15, 2019 a class action ("Putnam Bank") was filed before a federal court in New-York (US District Court Southern District of New-York) against the Intercontinental Exchange, Inc. ("ICE") and a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. This action has been filed by plaintiffs who allege that they have invested in financial instruments indexed to the USD ICE LIBOR. They accuse the banks of having collusively set the index USD ICE LIBOR at artificially low levels since February 2014 and made thus illegal profits.

On January 31, 2019 a similar action ("Livonia") has been filed before the US District Court Southern District of New-York, against a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. On February 1, 2019, these two class actions were consolidated for pre-trial purposes.

On March 4, 2019, a third class action ("Hawaï Sheet Metal Workers retirement funds") was filed against the same banks in the same courtand consolidated with the two previous actions on April 26, 2019.

On July 1st, 2019, the plaintiffs filed a "Consolidated Class Action Complaint". On August 30, 2019, the Defendants filed a motion to dismiss against this consolidated complaint. On March 26, 2020, a judgment granted the Defendants Motion to Dismiss. On April 24, 2020, the plaintiffs filed a notice of appeal.

On November 30, 2020, during briefing of the appeal, Plaintiffs' lawyers informed Defendants that all of the named Plaintiffs wished to withdraw from the case and, on December 1, 2020, Plaintiffs' counsel filed the motion to stay the appeal, which Defendants opposed. The court denied the motion on December 7, 2020 and Plaintiffs filed their reply brief on December 15, 2020.

On December 28, 2020, DYJ Holdings Inc. filed a motion for leave to intervene to replace the currents named plaintiffs. On January 7, 2021, Defendants filed a brief in opposition to DYJ Holdings' motion and also filed a motion to dismiss the appeal.

On April 6, 2021, the court granted DYJ Holdings Inc.'s motion for leave to intervene and denied Defendants' motion to dismiss the appeal.

On June 10, 2021, Defendants submitted a supplemental brief addressing merits issues unique to DJY Holdings.

Oral argument was held on November 29, 2021.

NOTE 14: SUBORDINATED DEBT - ANALYSIS BY RESIDUAL MATURITY (IN CURRENCY OF ISSUE)

	31.12.2021					31.12.2020
€ million	≤ 3months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total	Total
Fixed-term subordinated debt	**-**	**-**	**750**	**2,789**	**3,539**	**3,225**
Euro	-	-	750	1,462	2,212	2,412
Other EU currencies	-	-	-	-	-	-
US Dollar	-	-	-	1,327	1,327	813
Yen	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-
Undated subordinated debt	**-**	**-**	**-**	**8,470**	**8,470**	**5,643**
Euro	-	-	-	6,280	6,280	3,631
Other EU currencies	-	-	-	-	-	-
US Dollar	-	-	-	2,190	2,190	2,012
Yen	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-
Participating securities and loans	**-**	**-**	**-**	**-**	**-**	**-**
Total principal	**-**	**-**	**750**	**11,259**	**12,009**	**8,868**
Accrued interest	-	-	-	-	30	60
Carrying amount	**-**	**-**	**-**	**-**	**12,039**	**8,928**

Expenses relating to subordinated debt amounted to -€381 million at 31.12.2021, compared to -€426 million at 31.12.2020.

NOTE 15: CHANGES IN EQUITY (BEFORE APPROPRIATION)

	Equity							
€ million	Share capital	Legal reserves	Statutory reserves	Share premiums, reserves and revaluation adjustments	Retained earnings	Regulated provisions	Net income	Total equity
Balance at 31 December 2019	**7,852**	**785**	**-**	**1,593**	**3,213**	**-**	**1,329**	**14,772**
Dividends paid in respect of 2020	-	-	-	-	(511)	-	-	(511)
Increase/decrease	-	-	-	-	-	-	-	-
2020 net income	-	-	-	-	-	-	1,155	1,155
Appropriation of 2019 parent company net income	-	-	-	-	1,329	-	(1,329)	-
Net charges/write-backs	-	-	-	-	-	-	-	-
Other changes								
Balance at 31 December 2020	**7,852**	**785**	**-**	**1,593**	**4,031**	**-**	**1,155**	**15,416**
Dividends paid in respect of 2021	-	-	-	-	(1,024)	-	-	(1,024)
Increase/decrease	-	-	-	-	-	-	-	-
2021 net income	-	-	-	-	-	-	1,359	1,359
Appropriation of 2020 parent company net income	-	-	-	-	1,155	-	(1,155)	-
Net charges/write-backs	-	-	-	0	-	-	-	-
Other changes	-	-	-	-	37	-	-	37
Balance at 31 Decembre 2021	**7,852**	**785**	**-**	**1,594**	**4,199**	**-**	**1,359**	**15,789**

At 31 December 2021, the share capital comprised 290,801,346 shares with a par value of €27 each.

“Retained earnings” includes reserves for a global amount to €267,850 under a reversal of tax commitments by Crédit Agricole CIB during the liquidation of its Luxembourg branch in 2019.

“Retained earnings” also includes €37 million in “Other changes” related to the modification done on 5 November 2021 of recommendation 2013-02 about the calculation of pension commitments and similar benefits.

NOTE 16: ANALYSIS OF THE BALANCE SHEET BY CURRENCY

	31.12.2021		31.12.2020	
€ million	Assets	Liabilities	Assets	Liabilities
Euro	263,271	268,004	270,229	279,929
Other EU currencies	2,826	1,436	27,854	37,080
US Dollar	196,764	182,379	183,015	173,280
Yen	42,128	27,512	49,234	34,384
Other currencies	57,329	82,987	36,039	41,698
Total	**562,318**	**562,318**	**566,371**	**566,371**

NOTE 17: TRANSACTIONS WITH SUBSIDIARIES, AFFILIATES AND EQUITY INVESTMENTS

€ million	31.12.2021	31.12.2020
Loans and receivables	**81,969**	**59,717**
Credit and other financial institions	48,757	26,767
Customers	27,602	28,272
Bonds and other fixed income securities	5,610	4,678
Debt	**106,794**	**83,241**
Credit and financial institutions	75,938	54,217
Customers	14,557	15,862
Debt securities and subordinated debts	16,299	13,162
Commitments given	**80,612**	**67,100**
Financing commitments given to credit institutions	590	591
Financing commitments given to customers	52,518	41,890
Guarantee given to credit and other financial institutions	9,098	7,528
Guarantees given to customers	3,825	3,051
Securities acquired with repurchase options	2,220	3,221
Other commitments given	12,361	10,819

NOTE 18: NON-SETTLED FOREIGN EXCHANGE TRANSACTIONS AND AMOUNTS PAYABLE IN FOREIGN CURRENCIES

	31.12.2021		31.12.2020	
€ million	To be received	To be delivered	To be received	To be delivered
Spot foreign-exchange transactions	**225,414**	**225,180**	**114,268**	**114,470**
Foreign currencies	197,121	202,466	100,342	100,339
Euro	28,293	22,714	13,926	14,131
Forward currency transactions	**2,501,451**	**2,504,270**	**1,922,518**	**1,923,064**
Foreign currencies	2,016,564	2,054,340	1,511,747	1,549,721
Euro	484,887	449,930	410,771	373,343
Foreign currency denominated loans and borrowings	**280**	**142**	**1,307**	**1,466**
Total	**2,727,145**	**2,729,592**	**2,038,093**	**2,039,000**

NOTE 19: TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

	31.12.2021			31.12.2020		
€ million	Hedging transactions	Other transactions	Total [2]	Hedging transactions	Other transactions	Total
Futures and forwards	137,710	18,054,246	18,191,956	1,518	15,518,441	15,519,959
Exchange-traded [1]	-	207,700	207,700	-	136,618	136,618
Interest-rate futures	-	198,707	198,707	-	130,940	130,940
Currency forwards	-	334	334	-	322	322
Equity and stock index instruments	-	8,639	8,639	-	5,335	5,335
Other futures	-	20	20	-	21	21
Over-the-counter [1]	137,710	17,846,546	17,984,256	1,518	15,381,823	15,383,341
Interest rate swaps	84,505	11,128,786	11,213,291	64	8,708,275	8,708,339
Fx swaps	53,069	5,320,722	5,373,791	1,454	4,060,743	4,062,197
FRA	-	1,310,449	1,310,449	-	2,541,767	2,541,767
Equity and stock index instruments	136	83,964	84,100	-	67,778	67,778
Other futures	-	2,625	2,625	-	3,260	3,260
Options	-	1,886,950	1,886,950	-	1,786,547	1,786,547
Exchange-traded	-	194,487	194,487	-	123,766	123,766
Exchange traded interest rate futures	-	-	-	-	-	-
Bought	-	150,620	150,620	-	82,404	82,404
Sold	-	20,000	20,000	-	18,000	18,000
Equity and stock index instruments	-	-	-	-	-	-
Bought	-	8,658	8,658	-	9,005	9,005
Sold	-	15,209	15,209	-	14,357	14,357
Currency futures	-	-	-	-	-	-
Bought	-	-	-	-	-	-
Sold	-	-	-	-	-	-
Other futures	-	-	-	-	-	-
Bought	-	-	-	-	-	-
Sold	-	-	-	-	-	-
Over-the counter	-	1,692,463	1,692,463	-	1,662,781	1,662,781
Interest rate swap options	-	-	-	-	-	-
Bought	-	360,750	360,750	-	340,285	340,285
Sold	-	386,503	386,503	-	382,691	382,691
Other interest rate forwards	-	-	-	-	-	-
Bought	-	253,493	253,493	-	254,639	254,639
Sold	-	231,083	231,083	-	259,049	259,049
Equity and stock index instruments	-	-	-	-	-	-
Bought	-	1,510	1,510	-	1,383	1,383
Sold	-	1,058	1,058	-	1,055	1,055
Currency futures	-	-	-	-	-	-
Bought	-	181,057	181,057	-	190,373	190,373
Sold	-	216,501	216,501	-	212,173	212,173
Other futures	-	-	-	-	-	-
Bought	-	89	89	-	256	256
Sold	-	67	67	-	310	310
Credit derivative	-	-	-	-	-	-
Bought	-	54,597	54,597	-	15,059	15,059
Sold	-	5,755	5,755	-	5,508	5,508
Total	137,710	19,941,196	20,078,906	1,518	17,304,988	17,306,506

[1] The amounts stated under futures and forwards correspond to aggregate long and short positions (interest rate swaps and interest rate swaptions) or to aggregate purchases and sales of contracts (other contracts).
[2] Including €832,350 million with Crédit Agricole S.A. at December 31, 2021.

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19.1 Forward financial instruments - Fair value

	31.12.2021			31.12.2020		
	Total fair value			Total fair value		
€ million	Assets	Liabilities	Notional total	Assets	Liabilities	Notional total
Interest rate instruments	**69,968**	**71,337**	**14,124,896**	**100,506**	**100,328**	**12,718,114**
Futures	-	-	198,707	-	-	130,940
FRA	3	-	1,310,449	188	185	2,541,767
Interest rate swaps	57,570	56,268	11,213,291	81,654	79,111	8,708,339
Interest rate options	9,807	12,324	917,873	15,714	17,801	823,380
Caps, floors and collars	2,588	2,745	484,576	2,950	3,231	513,688
Foreign currency and Instruments	**13,734**	**10,462**	**993,204**	**14,461**	**11,816**	**875,762**
Currency futures	10,889	8,058	595,312	11,680	9,633	472,894
Currency options	2,823	2,371	397,558	2,628	2,030	402,546
Futures	22	33	334	153	153	322
Other instruments	**8,502**	**5,326**	**182,327**	**9,749**	**6,807**	**123,328**
Equity and index derivatives	8,304	4,717	119,174	8,116	4,793	98,913
Precious metal derivatives	35	45	2,781	93	80	3,843
Commodity derivatives	-	-	20	-	-	5
Credit derivatives	163	564	60,352	1,540	1,934	20,567
Sub-total	**92,204**	**87,125**	**15,300,427**	**124,715**	**118,951**	**13,717,204**
Currency futures trading book	14,369	15,199	4,778,479	16,800	17,139	3,589,302
Currency futures banking book	-	-	-	-	-	-
Sub-total	**14,369**	**15,199**	**4,778,479**	**16,800**	**17,139**	**3,589,302**
Total	**106,573**	**102,324**	**20,078,906**	**141,516**	**136,090**	**17,306,506**

19.2 Forward financial instruments - Notional outstanding's analysis by residual maturity

€ million	Over-the-counter			Exchange-traded			31.12.2021	31.12.2020
Notional amount outstanding	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total	Total
Interest rate instruments	**4,475,613**	**5,083,940**	**4,196,016**	**227,531**	**141,745**	**51**	**14,124,896**	**12,718,114**
Futures	-	-	-	132,065	66,591	51	198,707	130,940
FRA	848,343	462,106	-	-	-	-	1,310,449	2,541,767
Interest rate swaps	3,509,191	4,103,776	3,600,324	-	-	-	11,213,291	8,708,339
Interest rate options	75	247,393	499,785	95,466	75,154	-	917,873	823,380
Caps, floors and collars	118,004	270,665	95,907	-	-	-	484,576	513,688
Foreign currency and gold	**736,688**	**217,088**	**39,094**	**334**	**-**	**-**	**993,204**	**875,761**
Currency futures	425,729	149,888	19,695	-	-	-	595,312	472,894
Currency options	310,959	67,200	19,399	-	-	-	397,558	402,546
Futures	-	-	-	334	-	-	334	322
Other instruments	**33,591**	**78,280**	**37,930**	**16,797**	**14,129**	**1,600**	**182,327**	**123,328**
Equity and index derivatives	28,337	28,424	29,907	16,777	14,129	1,600	119,174	98,913
Precious metal derivatives	2,781	-	-	-	-	-	2,781	3,843
Commodity derivatives	-	-	-	20	-	-	20	5
Credit derivatives	2,473	49,856	8,023	-	-	-	60,352	20,567
Sub-total	**5,245,892**	**5,379,308**	**4,273,040**	**244,662**	**155,874**	**1,651**	**15,300,427**	**13,717,203**
Currency futures trading book	3,024,701	1,104,902	648,876	-	-	-	4,778,479	3,589,302
Currency futures banking book	-	-	-	-	-	-	-	-
Sub-total	**3,024,701**	**1,104,902**	**648,876**	**-**	**-**	**-**	**4,778,479**	**3,589,302**
Total	**8,270,593**	**6,484,210**	**4,921,916**	**244,662**	**155,874**	**1,651**	**20,078,906**	**17,306,506**

19.3 Forward financial instruments - Counterparty risk

€ million	31.12.2021		31.12.2020	
	Market value	Potential credit risk	Market value	Potential credit risk
Risks regarding OECD governments, central banks and similar institutions	9,147	5,709	60,230	10,101
Risks regarding OECD financial institutions and similar	49,157	34,483	65,614	12,806
Risks on other counterparties	49,558	60,556	12,991	1,189
Total by counterparty type before netting agreements	**107,862**	**100,748**	**138,835**	**24,096**
Risks on:	-	-	-	-
- Interest rates, exchange rates and comodities contracts	101,731	94,407	132,150	23,406
- Equity and index derivatives	239	2,358	4,997	690
Impact of netting agreements	**77,587**	**75,849**	**98,886**	**2,521**
Total after impact of netting agreements	**30,275**	**24,899**	**39,949**	**21,575**

NOTE 20: DEBT SECURITIES CLEARING

€ million	31.12.2021			31.12.2020		
	Gross payables representative of borrowed securities	Borrowed trading securities	Net payables representative of borrowed securities	Gross payables representative of borrowed securities	Borrowed trading securities	Net payables representative of borrowed securities
	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)
Treasury Bills and similar securities	24,648	24,648	-	16,978	16,978	-
- O/W lent securities	-	4,657	-	-	3,583	-
Bonds and other fixed assets	11,777	11,777	-	4,805	4,805	-
- O/W lent securities	-	9,877	-	-	230	-
Equities and other variable-income securities	5,614	5,614	-	5,072	5,072	-
- O/W lent securities	-	70	-	-	662	-

NOTE 21: NET INTEREST AND SIMILAR INCOME

€ million	31.12.2021	31.12.2020
Interbank transactions	1,128	1,271
Customer transactions	4,051	3,990
Bonds and other fixed-income securities (see Note 22)	489	446
Debt securities	22	406
Other interest and similar income	9	39
Interest and similar income [1]	**5,699**	**6,152**
Interbank transactions	(2,547)	(1,792)
Customer transactions	(544)	(1,041)
Bonds and other fixed-income securities	(222)	(86)
Debt securities	(500)	(927)
Other interest and similar income	(39)	(41)
Interest and similar expense [2]	**(3,852)**	**(3,887)**
Net interest and similar income	**1,847**	**2,265**

[1] *Including income with Crédit Agricole S.A at 31.12.2021: €221 million.*
[2] *Including expenses with Crédit Agricole S.A at 31.12.2021 : €-725 million.*

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NOTE 22: INCOME FROM SECURITIES

€ million	Fixed Income securities		Variable-income securities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Investment in subsidiaries and affiliates, equity investments and other long-term equity investments	-	-	120	228
Short term investment securities and medium term portfolio securities	255	191	1	18
Long-term investment securities	234	255	-	-
Other securities transactions	-	-	-	-
Income from securities	**489**	**446**	**121**	**246**

NOTE 23: NET COMMISSION AND FEE INCOME

€ million	31.12.2021			31.12.2020		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	52	(102)	(50)	72	(123)	(51)
Customer transactions	562	(43)	519	534	(41)	493
Securities transactions	13	(130)	(117)	34	(139)	(105)
Foreign exchange transactions	1	(32)	(31)	-	(28)	(28)
Forward financial instruments and other off-balance sheet transactions	247	(218)	29	250	(204)	46
Financial services (see Note 23.1)	115	(22)	93	118	(22)	96
Total net fee and commission income [1]	**990**	**(547)**	**443**	**1,008**	**(557)**	**451**

[1] Including net commissions with Crédit Agricole S.A. at 31.12.2021 : €16 million.

23.1 Banking and financial services

€ million	31.12.2021	31.12.2020
Net income from managing mutual funds and securities on behalf of customers	43	54
Net income from payment instruments	20	8
Other net financial services income (expense)	30	34
Financial services	**93**	**96**

NOTE 24: GAINS (LOSSES) ON TRADING BOOKS

€ million	31.12.2021	31.12.2020
Gains (losses) on trading securities	139	(438)
Gains (losses) on forward financial instruments	744	1,955
Gains (losses) on foreign exchange and similar financial instruments	892	48
Net gains (losses) on trading book	**1,775**	**1,565**

NOTE 25: GAINS (LOSSES) ON SHORT-TERM INVESTMENT PORTFOLIOS AND SIMILAR

€ million	31.12.2021	31.12.2020
Short term investment securities		
Impairment losses	(17)	(38)
Reversals of impairment losses	15	38
Net losses/reversals	**(2)**	**-**
Gains on disposals	27	278
Losses on disposals	(8)	-
Net gains (losses) on disposals	**19**	**278**
Net gain (losses) on short term investment securities	**17**	**278**
Medium term portfolio securities		
Impairment losses	-	-
Reversals of impairment losses	-	-
Net losses/reversals	-	-
Gains on disposals	11	-
Losses on disposals	(1)	(30)
Net gains (losses) on disposals	**10**	**(30)**
Net gain (losses) on medium term investment portfolio securities	**10**	**(30)**
Net gain (losses) on short term investment portfolios and similar	**27**	**248**

NOTE 26: OPERATING EXPENSES

26.1 Employee expenses

€ million	31.12.2021	31.12.2020
Salaries	(1,114)	(1,075)
Social security expenses	(364)	(378)
Incentive plans	(32)	(30)
Employee profit-sharing	-	-
Payroll-related tax	(43)	(39)
Total employee expenses	**(1,553)**	**(1,522)**
Charge-backs and reclassification of employee expenses	7	13
Net expenses [1]	**(1,546)**	**(1,509)**

[1] Including pension expenses at 31.12.2021: €-71 million.
Including pension expenses at 31.12.2020: €-77 million.

26.2 Average number of headcount

In number	31.12.2021	31.12.2020
Managers	4,563	4,384
Non-managers	137	185
Managers and non-managers of foreign branches	3,086	2,986
Total	**7,786**	**7,555**
Of which	-	-
France	4,700	4,569
Foreign	3,086	2,986

26.3 Other administrative expenses

€ million	31.12.2021	31.12.2020
Taxes other than on income or payroll-related	(106)	(57)
External services	(1,237)	(1,145)
Other administrative expenses	(112)	(103)
Total administrative expenses	**(1,455)**	**(1,305)**
Charge-backs and reclassification of employee expenses	267	226
Total	**(1,188)**	**(1,079)**

NOTE 27: COST OF RISK

€ million	31.12.2021	31.12.2020
Depreciation charges to provisions and impairment	**(1,354)**	**(1,869)**
Impairment on doubtful loans and receivables	(359)	(664)
Other depreciation and impairment losses	(995)	(1,205)
Reversal of provisions and impairment losses	**1,391**	**1,406**
Reverval of impairment losses on doubtful loans and receivables [1]	397	549
Other reversals of provisions and impairment losses [2]	994	857
Change in provisions and impairment	**37**	**(463)**
Losses on non-impaired bad debts	(7)	(41)
Losses on impaired bad debts	(250)	(587)
Recoveries on loans written off	138	199
Cost of risk	**(82)**	**(892)**

[1] Including €243 million on bad debts and doubtful loans at 31.12.2021.
[2] Including €7 million used to provision risk on the liabilities at 31.12.2021.

NOTE 28: NET GAIN (LOSSES) ON FIXED ASSETS

€ million	31.12.2021	31.12.2020
Financial investments		
Impairment losses	-	-
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(184)	(40)
Reversals of impairments losses	-	-
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments (1)	86	620
Net losses/reversals	**(98)**	**580**
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(98)	580
Gains on disposals	-	-
Long-term investment securities	15	11
Investments in subsidiaries and affiliates, equity investments and other long term equity investments (2)	142	-
Losses on disposals	-	-
Long-term investment securities	(3)	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(31)	(601)
Losses on receivables from equity investments	-	-
Net gain (losses) on disposals	**123**	**(590)**
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	123	(590)
Net gain (losses)	**25**	**(10)**
Property, plant and equipment and intangible assets		
Disposal gains	28	-
Disposal losses	(2)	-
Net gain (losses)	**26**	**-**
Net gain (losses) on fixed assets	**51**	**(10)**

NOTE 29: INCOME TAX CHARGE

€ million	31.12.2021	31.12.2020
Net gain (losses) on fixed assets [1]	(132)	(78)
Other tax	-	-
Total	**(132)**	**(78)**

[1] *Crédit Agricole CIB is a member of the Crédit Agricole S.A. tax consolidation group. The tax agreement between Crédit Agricole CIB and its parent company enables it to transfer its tax deficits.*
As a part of the tax consolidation agreement, a tax income of €18 million to Crédit Agricole S.A. was recognised at December 31, 2021.
A net depreciation of tax provision of €47 million, corresponding to Crédit Agricole S.A. compensated tax loss, but still due, as individuals, by the subsidiaries of the sub-group towards Crédit Agricole CIB, was also recognised at December 31, 2021.

NOTE 30: OPERATIONS IN NON-COOPERATIVE STATES OR TERRITORIES

At 31 December 2021, Crédit Agricole CIB had no direct or indirect presence in non-cooperative states or territories within the meaning of Article 238-0 A of the French General Tax Code.

3. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

The Statutory Auditors

PricewaterhouseCoopers Audit
63 rue de Villiers - 92208 Neuilly-sur-Seine Cedex
S.A.S. au capital de € 2 510 460 - 348 058 165 R.C.S. Nanterre

ERNST & YOUNG et Autres
Tour First - TSA 14444 - 92037 Paris-La Défense cedex
S.A.S. à capital variable - 438 476 913 R.C.S. Nanterre

The Statutory Auditors, Member of the *compagnie régionale de Versailles*

To Crédit Agricole Corporate and Investment Bank Ordinary General Meeting
12 Place, des États-Unis - CS 70052 - 92547 Montrouge Cedex

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditors' report on the financial statements.

To the General Meeting of Shareholders of Crédit Agricole Corporate and Investment Bank,

3.1. OPINION

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying financial statements of Crédit Agricole Corporate and Investment Bank for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

3.2. BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from 1 January 2021 to the date of our report, and specifically we did not provide any prohibited nonaudit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

3.3. OBSERVATION

We draw your attention to section 2.13 of Note 1 "Accounting principles and methods and Note 13 "Provisions" to the financial statements relating to the impacts of the change in accounting method concerning the modified calculation of pension commitments and similar benefits, resulting from the updating of ANC recommendation no. 2013-02. Our opinion is not modified in respect of these matters.

3.4. JUSTIFICATION OF ASSESSMENTS KEY AUDIT MATTERS

Due to the global crisis related to the COVID19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 8239 and R. 8237 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

RISK IN RELATION TO THE ESTIMATION OF PROVISIONS FOR REGULATORY AND TAX DISPUTES

Risk identified

Crédit Agricole Corporate and Investment Bank is undergoing judicial and a number of investigations and requests for regulatory information from different regulators. These concern in particular the cases relating to Euribor/Libor and SSA Bonds with the authorities of various countries (USA, UK) and the European Union.

A number of tax investigations are also ongoing in France and certain countries where Crédit Agricole Corporate and Investment Bank operates.

Deciding whether to recognize a provision and the amount of that provision requires the use of judgement, given that it is difficult to assess the outcome of disputes or the uncertainties related to certain tax treatments.

Given the degree of judgement required, the measurement of provisions for regulatory and tax disputes constitutes a significant risk of material misstatement in the financial statements, and we therefore deemed such measurement to be a key audit matter.

The various ongoing legal proceedings, investigations and requests for information (Euribor/Libor, SSA Bonds and other indices), as well as tax proceedings, are presented in Note 13 to the financial statements.

Our response

We gained an understanding of the procedure implemented by management for measuring the risks resulting from these disputes and tax uncertainties and, where applicable, the associated provisions, notably through quarterly exchanges with management and, in particular, the Legal, Compliance and Tax departments of the Crédit Agricole Corporate and Investment Bank.

Our work consisted primarily in:

- examining the assumptions used to determine provisions based on available information (documentation prepared by the Legal department or legal counsel of Crédit Agricole Corporate and Investment Bank, correspondence from regulators and minutes of Legal Risks Committee meetings);
- gaining an understanding of the analyses or findings of Crédit Agricole Corporate and Investment Bank's legal counsels and their responses to our requests for confirmation;
- as regards tax risks in particular, examining, with guidance from our specialists, Crédit Agricole Corporate and Investment Bank's responses submitted to the relevant authorities, as well as the risk estimates carried out by the Bank;
- assessing, accordingly, the level of provisioning at 31 December 2021.

Lastly, we examined the related disclosures provided in the notes to the financial statements.

CREDIT RISK AND ESTIMATE OF EXPECTED CREDIT LOSSES ON PERFORMING, UNDERPERFORMING AND NON-PERFORMING LOANS IN THE CONTEXT OF THE COVID-19 CRISIS

Risk identified

As part of its corporate and investment banking operations, Crédit Agricole Corporate and Investment Bank originates and structures financing for large corporate clients in France and abroad.

When a loan is non-performing, the probable loss is recognized through impairment, shown as a deduction from assets. Crédit Agricole Corporate and Investment Bank also recognizes provisions in liabilities to cover credit risks that are not individually allocated, such as country risk provisions or sectoral provisions generally calculated based on IFRS 9 models for estimating expected credit losses (ECL).

Given the significant judgement required in determining such value adjustments, we deemed the estimate of provisions for and impairment of performing and underperforming loans in the energy and transport sectors (collectively impaired) and non-performing loans (individually impaired) to be a key audit matter due to:

- an uncertain economic environment resulting in particular from the COVID-19 crisis;
  - the complexity of identifying exposures where there is a risk of non-recovery; and
- the degree of judgement needed to estimate recovery flows.

The financing granted is recorded under loans due from credit institutions and customer transactions. Impairment is recognised as a deduction from assets (€2,078 million) or as a liability (€445 million) and additions/reversals are recorded under cost of risk.

Probable losses in respect of off-balance sheet commitments are covered by provisions recognised in liabilities (€390 million).

See Notes 3, 8, 13 and 26 to the financial statements.

Our response

We examined the procedures implemented by the Risk Management department to categorize outstanding loans and measure the amount of recorded value adjustments in order to assess whether the estimates used were based on methods correctly documented and described in the notes to the financial statements.

We assessed, in particular, how the crisis linked to COVID-19 and the macro-economic projections used to calculate value adjustments were taken into account.

We tested the key controls implemented by Crédit Agricole Corporate and Investment Bank for the annual portfolio reviews, the updating of credit ratings, the identification of sectors weakened by the COVID-19 crisis, underperforming or nonperforming loans and the measurement of value adjustments. We also familiarized ourselves with the main findings of Crédit Agricole Corporate and Investment Bank specialized committees in charge of monitoring underperforming and non-performing loans.

Regarding collectively measured value adjustments, we:

- asked experts to assess the methods and measurements for the various ECL inputs and calculation models;
- assessed the analyses carried out by management on sectors with a deteriorated outlook and having been seriously economically impacted by the COVID-19 crisis;
- examined the methodology used to identify significant increases in credit risk;
- tested the controls that we deemed to be of key importance in relation to the transfer of the data used to calculate ECL or the reconciliations between the bases used to calculate ECL and the accounting data;
- carried out independent ECL calculations, compared the calculated amount with the recognized amount and examined the adjustments made by management where applicable.

Regarding individually calculated value adjustments, we:

- examined the estimates used for impaired significant counterparties;
- based on a sample of impaired or nonimpaired credit files, examined the factors underlying the main assumptions used to assess the expected recovery flows, in particular with regard to valuing collateral.

Lastly, we examined the disclosures in relation to credit risk hedging provided in the notes to the financial statements.

RISK IN RELATION TO THE MEASUREMENT OF COMPLEX DERIVATIVE INSTRUMENTS

Risk identified

As part of its capital markets activities, Crédit Agricole Corporate and Investment Bank originates, sells, structures and trades market products, including derivative financial instruments, for corporate clients, financial institutions and major issuers.

These derivative financial instruments are recognized in accordance with the provisions of Title 5 "Forward financial instruments" of Book II "Specific transactions" of ANC Regulation 201407 of 26 November 2014. In particular, transactions entered into for trading purposes are measured at market value and the corresponding gains and losses are taken to income.

These financial instruments are considered to be complex when their measurement requires the use of significant unobservable market inputs.

We deemed the measurement of these complex derivative financial instruments to be a key audit matter, as it requires judgement from management, particularly as regards:

- the use of internal and non-standard valuation models;
- the valuation of inputs unsubstantiated by observable market data;
- the estimate of valuation adjustments designed to reflect uncertainties related to the models, the inputs used and counterparty and liquidity risks.

Gains or losses on financial instrument transactions accounted for in trading portfolios amounted to €1,775 million at 31 December 2021.

See Notes 19 and 23 to the financial statements.

Our response

We gained an understanding of the processes and controls put in place by Crédit Agricole Corporate and Investment Bank to identify, measure and recognize complex derivative financial instruments.

We examined the controls that we deemed of key importance, particularly those performed by the Risk Management department, such as the independent verification of measurement inputs and the internal approval of measurement models. We also examined the system governing the recognition of valuation adjustments and the accounting categorization of financial products.

With the support of our experts in the valuation of financial instruments, we carried out independent valuations, analyzed those performed by Crédit Agricole Corporate and Investment Bank and examined the assumptions, inputs, methodologies and models used.

We also assessed the main valuation adjustments recognized, as well as the justification provided by management for the main differences observed in the margin calls and losses or gains in the event of the unwinding of financial instruments.

3.5. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

The fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in article D. 441-6 of the French Commercial Code (*Code de commerce*) calls for the following observation: as stated in the management report, this information does not include banking and related operations, as your Company considers that they do not fall within the scope of the information to be produced.

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225374 and L. 221010 of the French Commercial Code (*Code de commerce*).

3.6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 45112, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Crédit Agricole Corporate and Investment Bank by the general meeting of shareholders held on 30 April 2004 for PricewaterhouseCoopers Audit and 20 May 1997 for ERNST & YOUNG et Autres.

As at 31 December 2021, PricewaterhouseCoopers Audit was in its eighteenth year of total uninterrupted engagement and ERNST & YOUNG et Autres was in its twenty-fifth year of total uninterrupted engagement.

3.7. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

3.8. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and Audit Approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 823101 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

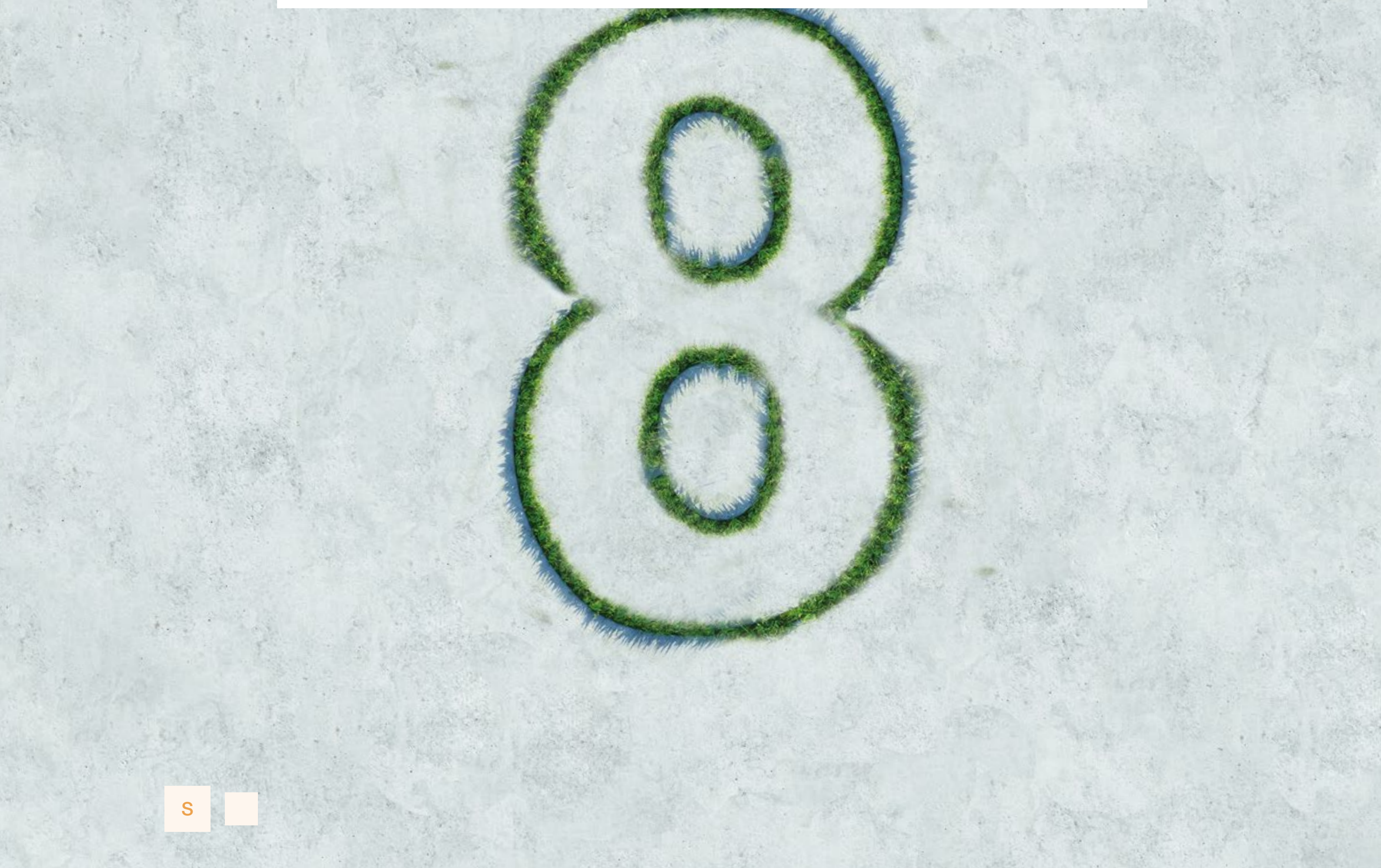
We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 82210 to L. 82214 of the French Commercial Code (*Code de commerce)* and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, le 22 March 2022

The Statutory Auditors

PricewaterhouseCoopers Audit		**ERNST & YOUNG et Autres**	
Agnès Hussherr-Harel	Laurent Tavernier	Matthieu Préchoux	Olivier Durand

GENERAL INFORMATION



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1. ARTICLES OF ASSOCIATION EFFECTIVE AT 31 DECEMBER 2021

TITLE I

CORPORATE FORM – REGISTERED NAME - CORPORATE PURPOSE - REGISTERED OFFICE – TERM

ARTICLE 1 – CORPORATE FORM

The Company is a joint stock company [French *Société Anonyme*] with a Board of Directors. It is governed by the laws and regulations that apply to credit institutions and to French *Sociétés Anonymes* and by the present Articles of Association.

ARTICLE 2 - REGISTERED NAME

The name of the Company is: "Crédit Agricole Corporate and Investment Bank".

ARTICLE 3 – CORPORATE PURPOSE

The purpose of the Company, in France and abroad, is:

- to enter into any banking transactions and any finance transactions, and more particularly:
  - to receive funds, grant loans, advances, credit, financing, guarantees, to undertake collection, payment, recoveries,
  - to provide advisory services in financial matters, and especially in matters of financing, indebtedness, subscription, issues, investment, acquisitions, transfers, mergers, restructurings,
  - to provide custodial, management, purchasing, sales, exchange, brokerage and arbitrage services with respect to all and any stocks, equity rights, financial products, derivatives, currencies, commodities, precious metals and in general all and any other securities of all kinds,
- to provide all and any investment services and related services as defined by the French Monetary and Financial Code and any subsequent legislation or regulation deriving therefrom,
- to establish and to participate in any ventures, associations, corporations, by way of subscription, purchase of shares or equity rights, merger or in any other way,
- to enter into transactions, either commercial or industrial, relating to securities or real estate, directly or indirectly related to any or all of the above purposes or to any similar or connected purposes,
- the foregoing, both on its own behalf and on behalf of third parties or as a partner and in any form whatsoever.

ARTICLE 4 - REGISTERED OFFICE

The registered office is at 12, Place des Etats-Unis - CS 70052 - 92547 Montrouge Cedex (France)

ARTICLE 5 – TERM

The Company's term of existence shall end on 25 November 2064, except in the event of early dissolution or extension of its life.

TITLE II

REGISTERED CAPITAL - SHARES

ARTICLE 6 – REGISTERED CAPITAL

The registered share capital of the Company is set at EUR 7,851,636,342.00 (seven billion, eight hundred and fifty-one million, six hundred and thirty-six thousand, three hundred and forty-two euros). The capital is divided into 290,801,346 (two hundred and ninety million, eight hundred and one thousand, three hundred and forty-six) fully paid-up shares, each with a nominal value of EUR 27 (twenty-seven euros).

ARTICLE 7 – FORM OF THE SHARES – ASSIGNMENT AND TRANSFER OF SHARES

7A. FORM OF THE SHARES

The shares must be registered in a pure nominative account at the issuing company.

7B. ASSIGNMENT AND TRANSFER OF SHARES

I. The assignment of shares for the benefit of spouses, ascendants and descendants is subject to no restriction.

The same shall apply to assignments for the benefit of Crédit Agricole S.A. and of any company placed under its control, under the terms of article L233-3 I & II of the French Commercial Code.

II. Except for cases mentioned under (I.) above, no private individual or legal entity (hereinafter the "Assignee") may become a shareholder of the Company or the holder of a right stripped from any share or any right derived therefrom in any manner whatsoever (hereinafter the "Assignment") if that person or entity has not been previously approved by the Chairman of the Board of Directors under the conditions set forth hereinbelow:

1°. The application for approval of the assignee shall be notified to the Company by extrajudicial instrument or by registered mail, return receipt requested, indicating the last name, first names and address of the assignee, the number of shares of which the assignment is envisaged, the price offered and the terms of sale. Approval shall be constituted either by notification thereof, or by the absence of such notification within a period of three months as from the date of the application.

The decision to approve shall be taken by the Chairman. No reasons need be given for that decision and in the event of a rejection this shall under no circumstances be justification for any claim.

The assignor shall be informed of the decision within fifteen days of receipt of the notification by registered mail, return receipt requested.

In the event of a rejection, the assignor shall have ten days from the date of receipt and in accordance with same procedure as above, to make it known whether or not he wishes to abandon the proposed assignment.

2°. If the assignor does not abandon the proposed assignment, the Chairman shall be bound, within a maximum period of three months from the date of notification of the rejection, to arrange for the acquisition of the shares either by existing shareholders or by third parties, or, with the consent of the assignor, by the Company with a view to reducing its share capital.

To that end, the Chairman shall inform the shareholders of the proposed assignment by registered mail, return receipt requested, inviting each to indicate the number of shares he wishes to acquire. Offers to purchase shares shall be sent by shareholders to the Chairman by registered mail, return receipt requested, within ten days of the date of receipt of the notification. The allocation of the shares proposed for sale between the shareholders wishing to purchase them shall be determined by the Chairman in proportion to their respective holdings in the total share capital and up to the limit of their applications.

3°. If no application to purchase shares is sent to the Chairman within the above time limit or if the requests do not cover the total number of the shares, the Chairman may arrange for the available shares to be purchased by third parties.

4°. With the agreement of the assignor, the shares may also be purchased by the Company. The Chairman shall seek such agreement by registered mail, return receipt requested, to which the assignor must respond within ten days of receipt.

If this agreement is given, the Board of Directors shall, upon proposal by the Chairman, call an Extraordinary General Meeting of shareholders for the purpose of deciding upon the redemption of the shares by the Company and the corresponding reduction in share capital. The Notice of Meeting must be sent out sufficiently early to ensure that the three-month time limit is observed as stipulated below.

In all the cases of purchase or redemption described above, the price for the shares shall be set as indicated at point (6) below.

5°. If all the shares have not been purchased or redeemed within a period of three months from the date of the notification of rejection, the assignor may complete the sale to the initial assignee for the totality of the shares to be assigned, notwithstanding the offers of partial purchase that may have been made.

The three months period may be extended by a court injunction issued in summary proceedings by the President of the Commercial Court, and not subject to appeal, at the behest of the Company, with the assigning shareholder and the assignee being duly called to attend the hearing.

6°. In the event that the shares on offer are acquired by shareholders or third parties, the Chairman shall notify to the assignor the last name, first names and address of the purchaser(s).

Failing an agreement between the parties, the price for the shares shall be determined under the conditions set forth in Article 1843-4 of the French Code of Civil Law.

The cost of the expert valuation shall be borne equally by vendor and purchaser.

7°. Within eight days of the date of determination of the price, notification shall be sent to the assignor by registered mail, return receipt requested, indicating that he must, within fifteen days of the receipt of that notification, make it known whether he wishes to abandon the proposed assignment or, if not, attend the registered office to receive payment of the price, which shall not bear interest, and to sign the share transfer form. Failing attendance by the assignor within the above-mentioned time limit of fifteen days, or failing notification to the Company within that time limit of his intention to abandon the assignment, the assignment to the purchaser or purchasers shall be formalised on the instructions of the Chairman of the Board of Directors or a specifically authorised person, with effect from the date of the formalisation of said assignment.

8°. The provisions of the present article shall apply generally to all and any manner of transfer of ownership, whether free of charge or not, by private deed or in any other manner, even where the assignment is effected by public auction under a court order or following a private decision, and whether such assignment is voluntary or enforced. They shall apply in particular to contributions to corporate capital, partial contributions of assets, mergers, spin-offs (scissions) and general transfers of property.

9°. The approval provisions contained in the present Article shall also apply to the assignment of rights of allocation of shares in the event of an increase in share capital by means of an incorporation of reserve funds, profits or issue premiums. They shall further apply in the event of the assignment of share subscription rights associated with an increase in capital in cash or individual relinquishment of subscription rights in favour of designated beneficiaries.

In either of these cases, the approval and the conditions governing the redemption of shares stipulated in the present article shall apply to all shares subscribed, and the time allowed to the Chairman for the notification to third party subscribers of their acceptance or rejection as shareholders shall be three months as from the date of final completion of the increase in share capital.

Where the shares are redeemed, the price shall be equal to the value of the new shares as determined under the conditions set forth in Article 1843-4 of the Code of Civil Law.

10°. In the event of allocation of shares following the distribution of the assets of a company holding those shares, allocations to persons who are not already shareholders of the Company shall be subject to the approval procedure described herein.

Consequently, any proposal to allocate shares to persons other than existing shareholders shall give rise to an application for approval by the liquidator of the company under the provisions of paragraph (1) hereinabove.

Failing notification to the liquidator of the Chairman's decision within three months of the date of the application for approval, such application shall be deemed approved.

In the event of a refusal to approve certain proposed recipients of allocations, the liquidator may, within thirty days of the notification of such refusal, amend the allocations in order to submit only those recipients who are approved.

If all the proposed recipients are rejected, or if the liquidator has not amended his proposed distribution within the above-mentioned time limit, the shares allocated to the non-approved shareholders must be purchased or redeemed from the company in liquidation under the conditions set forth in paragraphs 2 to 4 above. Failing such purchase or redemption of the totality of the shares covered by the rejection, within the time limit stipulated at point (5) above, the distribution may be completed in accordance with the proposal submitted.

III. Transfer of ownership of shares through inheritance or related to the liquidation of a common property between spouses is subject to no restriction.

ARTICLE 8 - RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

Each share confers, in the ownership of the Company's assets, the distribution of profits and the liquidation bonus, a right proportional to the number of existing shares, taking into account, where applicable, redeemed and non-redeemed, fully paid-up and partly paid-up capital, the nominal amount of the shares and the rights of other classes of shares.

All present and future shares in the capital shall invariably be treated equally with regard to tax liability. Consequently, all duties and taxes which, for whatever reason, may become payable solely in respect of certain shares further to their redemption, whether during the life of the Company or upon its liquidation, shall be spread over all the shares making up the capital at the time of such redemption, in a manner such that all the present or future shares shall confer upon their owners, taking account where applicable of their nominal and non-redeemed amount and of the rights of shares of other classes, the same actual advantages and right to receive the same net amount.

On each occasion that it may be necessary to hold more than one share in order to exercise any right, the ownership of a single share or of shares in a number less than that required shall confer no right with respect to the Company, it being the responsibility of the shareholders to arrange personally for the grouping and, where applicable, for the purchase or sale of the necessary number of shares.

TITLE III

MANAGEMENT OF THE COMPANY

ARTICLE 9 – MEMBERSHIP OF THE BOARD OF DIRECTORS

The Company shall be managed by a Board of Directors with between six and twenty members. At least six Directors shall be appointed by General Meetings of shareholders in accordance with the provisions of Article L. 225-18 of the French Commercial Code or any subsequent provision deriving therefrom, and two shall be elected by the salaried employees in accordance with the provisions of Articles L. 225-27 to L. 225-34 of the French Commercial Code or any subsequent provisions deriving therefrom.

The following persons may also attend Board meetings in an advisory capacity:

- if applicable, one or more censeurs (non-voting members of the Board) appointed in accordance with Article 17 below,
- one member of the Economic and Social Committee, appointed by said Committee.

1. DIRECTORS APPOINTED BY GENERAL MEETINGS OF SHAREHOLDERS

These Directors shall be appointed, renewed or removed in accordance with the legal and regulatory provisions in force.

Their term of office shall be three years. However:

- by way of exception, the General Meeting may, for the establishment or maintenance of a staggering, appoint one or several directors for a different term not exceeding three years, in order to allow a staggered renewal of the directors' mandates,
- any Director appointed to replace another whose term of office has not expired shall hold office only for the remainder of his predecessor's term.

In the event of a vacancy or vacancies subsequent to death or resignation, or in other cases listed by law, such vacancies may be filled provisionally by co-optation under the conditions laid down by law and regulations in force.

2. DIRECTORS ELECTED BY EMPLOYEES

Two members shall be elected by the employees: one shall be elected by executive level staff (cadres), the other by the other categories of staff.

In any event, the number of members elected in this way may not exceed one-third of the members appointed by the General Meeting.

They shall be elected under the terms and in accordance with legal and regulatory provisions in force or, failing this, as determined by the Chief Executive Officer after consultation with the trade unions represented in the Company.

Both these Directors are elected for a term of office ending the same day:

- either at the close of the Annual Shareholders meeting held in the third calendar year following their election,
- or upon completion of the elections organized during this third calendar year when these take place after the annual shareholders meeting.

Where a seat falls vacant due to the death, resignation, removal or termination of the employment contract of a Director elected by employees, the vacancy shall be filled in accordance with the legal and regulatory provisions in force and the new Director shall take office immediately. If replacement proves impossible, elections for such member shall take place within three months.

In any event, the term for which a Director elected by employees may hold office shall be limited to the period remaining to run until the date on which his contract of employment ends.

ARTICLE 10 – OTHER PROVISIONS RELATIVE TO THE DIRECTORS

Any Director turning sixty five is automatically deemed to be resigning at the close of the annual General meeting of shareholders immediately following his/her sixty fifth birthday.

The term of office of a Director appointed by the shareholders in General meeting can however be renewed from year to year up to a maximum five times, being specified that at no time can the number of directors aged over sixty five exceed one third of the total number of Directors. Should the total number of Directors not be precisely divisible by three, that third part will be rounded upward.

ARTICLE 11 - PROCEEDINGS OF THE BOARD OF DIRECTORS

The Board of Directors shall meet as often as is dictated by the Company's interest, and when called by its Chairman or at least one third of its members.

If applicable, the Chief Executive Officer may request the Chairman to call a meeting of the Board on a specific agenda. Any such request is binding upon the Chairman.

Meetings of the Board of Directors shall be held either at the registered office or at any other place indicated in the Notice of Meeting.

Notice of Meeting may be given by any means, even orally.

In order for decisions at such meetings to be valid, at least half of the Board's sitting members must be present.

Any member of the Board of Directors may grant a proxy to another member to represent him at a meeting of the Board. Each member may hold no more than one proxy at any given meeting.

The Board of Directors' internal rules may stipulate that for calculation of the quorum and majority, Directors who take part in a Board meeting using a remote telecommunications means such as video-conferencing, the type and conditions of use of such means being determined by reference to the regulations in force, shall be deemed to be present.

Decisions shall require a majority vote of those Directors present in person and by proxy. When voting ends in a tie, the Chairman shall cast the deciding vote.

The Directors, as well as any other person called to attend the meetings of the Board of Directors, shall be subject to an obligation of discretion in respect of the proceedings of the Board as well as in respect of information of a confidential nature or described as confidential by the Chairman of the Board.

The chairman or at least one-third of the Directors may consult the Board of Directors in writing under the quorum and majority rules, on the following decisions:

- Replacement of a Director by co-optation mentioned in 9.1 of the articles of association;
- Necessary amendment of the articles of association to comply them with the law;
- Convening of General Meeting;
- Transfer of the head office to the same French department.

In case of written consultation, each Director, each Censor and the representative of the Economic and Social Committee receive by any means which enables to produce evidence of sending, a form including the draft of the proposed decisions, with necessary documents to vote, and the response time from the date of sending.

During the response time, each Director can ask any explanation or additional information as it may consider pertinent to him, related to the consultation subject.

The vote of each Director is cast on the written consultation form including the draft of the proposed decisions.

In case of failure to reply within the time limit, the Director is considered as absent for the calculation of quorum. If a Director, within the time limit, does not express in a clear and unequivocal manner his vote on one or more of the proposed decisions, it will be considered as an abstention.

Board decisions are considered to have been made after the deadline response.

ARTICLE 12 - ATTENDANCE REGISTER AND MINUTES OF MEETINGS OF THE BOARD OF DIRECTORS

A register of attendance shall be kept at the registered office and this shall be signed by the Directors attending each Board meeting.

The proceedings of the Board shall be recorded in minutes drawn up in accordance with the legal and regulatory provisions in force.

Such minutes shall be signed by the Chairman of the meeting and by at least one other Director. In the event that the Chairman of the meeting is unable to sign the minutes, they shall be signed by at least two Directors.

In case of written consultation of the Board of Directors, the consultation method, the proposed decisions, the written consultation results, and the list of the sent documents, are recorded in the minutes signed by the Chairman or by at least two Directors.

Production of a copy of, or an extract from the minutes of the meeting shall suffice as proof of the number of Directors in office and their presence or representation by proxy.

Copies of, or extracts from minutes of meetings shall be validly certified by the Chairman and Vice-Chairman of the Board, the Chief Executive Officer, or an authorised signatory duly empowered therefor.

During liquidation, such copies or extracts shall be certified by a single liquidator.

ARTICLE 13 - POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall determine the Company's business policies and ensure that they are duly implemented. Subject to the powers expressly allocated to General Meetings of shareholders and within the limits set by the corporate purpose, it shall consider any matter relating to the proper operation of the Company and shall take its decisions on any relevant issues during the course of its meetings.

The Board of Directors may carry out all checks and verifications it considers appropriate. The Chairman or the Chief Executive Officer of the Company shall be bound to provide each Director with all the information required in order to carry out his assigned tasks.

The Board may decide to set up committees to examine issues that the Board itself or its Chairman may submit to them. The Board shall determine the members and powers of such committees, and they shall act under the Board's responsibility.

Unless expressly assigned by law, the Board may grant those of its powers it chooses to any persons or committees it deems appropriate, by means of a special authorisation and for one or more specific purposes, with or without the possibility of sub-delegation.

The Board of Directors shall decide whether the general management of the Company shall be placed in the hands of the Chairman of the Board or the Chief Executive Officer.

In general terms, the Board of Directors is vested with all the powers granted to it under the laws in force.

ARTICLE 14 - REMUNERATION OF DIRECTORS

Directors may receive, in remuneration of their activity, by way of Directors' fees, a fixed annual sum, the amount of which shall be determined by an Ordinary General Meeting and shall remain applicable until otherwise decided.

The Board of Directors shall distribute the total amount of directors' fees between its members as it sees fit.

It may also itself allocate exceptional remuneration in respect of assignments or mandates entrusted to Directors. This remuneration shall be subject to the legal provisions that govern related party transactions.

In addition, the Chairman and the Vice-Chairman or Vice-Chairmen may receive remuneration in an amount to be determined by the Board of Directors.

ARTICLE 15 - CHAIRMAN OF THE BOARD

The Board of Directors shall elect the Chairman of the Board from amongst its members. The Board shall determine the length of his term of office, which may not exceed his term as a Director.

The Board of Directors may elect a Vice-Chairman or several Vice-Chairmen. It shall also determine the length of his/their term(s) of office, which may not exceed the length of his/their term(s) as Director(s).

The Chairman shall organise and coordinate the work of the Board and report on such activities to the General Meeting. He shall ensure that the Company's bodies operate satisfactorily and ensure, in particular, that the Directors are in a position to carry out their assignments.

In general terms, the Chairman shall be vested with all powers granted to him by the legislation in force.

As an exception to the provisions of Article 10 paragraph 1 of the present Articles of Association, the age limit for the performance of the duties of Chairman of the Board of Directors is set at 67, except where the Chairman also acts as Chief Executive Officer of the Company.

He shall benefit from the provisions of Article 10, paragraph 2.

ARTICLE 16 - GENERAL MANAGEMENT

The Chairman of the Board of Directors, or another individual appointed by the Board of Directors and having the title of Chief Executive Officer, shall be responsible for the general management of the Company.

Upon proposals by the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer, having the title of Deputy Chief Executive Officers.

1. CHIEF EXECUTIVE OFFICER

Within the limits set by the corporate purpose and subject to those powers expressly allocated by law to General Meetings and to the Board of Directors, the Chief Executive Officer shall be vested with the widest possible powers to act in the Company's name in all circumstances.

He shall represent the Company in its relations with third parties, especially with regard to legal proceedings.

Taking into account the corporate purpose, and in accordance with the law, sureties, endorsements and other guarantees in favour of third parties shall be granted by the Chief Executive Officer.

The Chief Executive Officer may decide to set up committees to examine issues that he shall submit to them for their opinion. He shall determine the members and powers of such committees.

The Chief Executive Officer may entrust those of his powers he chooses to any persons or committees he deems appropriate, by means of a special authorisation and for one or more specific purposes, with or without the possibility of sub-delegation of those same powers.

Where the Chief Executive Officer is a member of the Board of Directors, his term of office may not exceed his term of office as Director.

The age limit for Chief Executive Officers is set at sixty-five (65).

Where the Chairman of the Board of Directors is responsible for the general management of the Company, the provisions of this article shall apply to him.

2. DEPUTY CHIEF EXECUTIVE OFFICERS

The number of Deputy Chief Executive Officers is limited to a maximum of five.

The age limit for Deputy Chief Executive Officer is set at sixty-five (65).

When they are appointed, the scope and term of the powers of each Deputy Chief Executive Officer shall be set by the Board of Directors, in agreement with the Chief Executive Officer.

With regard to third parties, Deputy Chief Executive Officers shall benefit from the same powers as the Chief Executive Officer.

ARTICLE 17 - CENSEURS (NON-VOTING ADVISORY MEMBERS OF THE BOARD)

Upon proposal by the Chairman, the Board of Directors may appoint one or more legal entities or individuals as *censeurs* (non-voting advisory members of the Board).

Censeurs shall be appointed for a term of office that shall expire at the close of the first Board Meeting held after the Annual General Meeting called during the third calendar year following the year in which they were appointed as such. Any *Censeur* reaching the age of seventy two is deemed to resign automatically at the close of the Board meeting immediately following his/her seventy second birthday.

Each *Censeur* may be removed from office at any time by the Board of Directors upon proposal by the Chairman.

Depending on the agenda, *Censeurs* are called to attend meetings of the Board of Directors and General Meetings of the shareholders, and may, if invited to do so by the Chairman, take part in the proceedings in an advisory capacity.

Censeurs may receive fees in an amount decided by the Board.

TITLE IV

COMPANY AUDITS

ARTICLE 18 – STATUTORY AUDITORS

An Ordinary General Meeting of shareholders shall appoint Statutory Auditors to carry out assigned tasks as specified in law, at the times and under the conditions provided by the legislation in force.

Statutory Auditors shall be eligible for reappointment.

They shall receive remuneration in an amount determined in accordance with the terms and conditions laid down in the laws and regulations in force.

TITLE V

GENERAL MEETINGS

ARTICLE 19 – COMPOSITION - NATURE OF MEETINGS

General Meetings shall be composed of all shareholders, regardless of the number of shares they may own.

Duly constituted General Meetings shall represent all shareholders. Resolutions passed in General Meetings in accordance with the laws and regulations in force shall be binding on all shareholders.

General Meetings shall be designated as Extraordinary General Meetings where their resolutions relate to an amendment of the Articles of Association; they shall be designated as Ordinary General Meetings in all other cases.

Special Meetings of shareholders may take place involving the owners of a specific class of shares, if any, to decide upon changes to the rights attached to the shares of such class.

Such Special Meetings of shareholders shall be called and proceed in the same manner as Extraordinary General Meetings.

ARTICLE 20 - MEETINGS

General Meetings shall be called in accordance with the provisions of the laws and regulations in force.

Meetings shall be held either at the Company's registered office or at any other place designated in the Notice of Meeting.

General Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Vice-Chairman of the Board of Directors or by a Director appointed by the Chairman of the Board of Directors for that purpose. Failing this, the General Meeting may itself elect the chair of the meeting.

The agenda shall be determined by the author of the Notice of Meeting. Only proposals from the author of the Notice of Meeting or from the shareholders shall be included in the agenda.

Each shareholder in the Ordinary or Extraordinary General Meeting shall have a number of votes proportional to the fraction of the Company's capital corresponding to the shares he owns or represents, provided however that such shares are not deprived of the right to vote.

The Board of Directors may decide that shareholders taking part in the meeting via videoconferencing facilities or by some other means of remote telecommunications enabling them to be satisfactorily identified shall be deemed to be personally present at the meeting for the purposes of calculation of the quorum and the majority, provided however that the type and conditions of use of such means shall comply with the laws and regulations in force.

ARTICLE 21 - ORDINARY GENERAL MEETINGS

Ordinary General Meetings shall proceed in accordance with the quorum and majority rules as provided by the laws and regulations in force.

Shareholders shall be called each year to attend an Ordinary General Meeting.

The annual Ordinary General Meeting shall consider the report of the Board of Directors and the reports of the Statutory Auditors.

It shall discuss, approve or adjust the annual financial statements and the consolidated financial statements, if any, and shall determine the manner in which the net earnings for the financial year shall be allocated.

It shall appoint the auditors.

It shall consider any other proposals on the agenda which do not fall within the remit of Extraordinary General Meetings.

In addition to this Annual General Meeting, Ordinary General Meetings may be called in exceptional circumstances.

ARTICLE 22 - EXTRAORDINARY GENERAL MEETINGS

Extraordinary General Meetings shall proceed in accordance with the quorum and majority rules as provided by laws and regulations in force.

Extraordinary General Meetings may make all and any amendments to the Articles of Association.

ARTICLE 23 - MINUTES

The proceedings of General Meetings of shareholders shall be recorded in minutes drawn up on a special register or on numbered loose-leaf pages. Such minutes shall be signed by the shareholders who have been appointed as officers of the meeting.

Evidence to third parties of the proceedings of any General Meeting may be properly provided by copies or extracts duly certified as a true record by the Chairman of the Board of Directors, a Vice-Chairman of the Board of Directors, the Secretary of the Meeting, or a company officer duly empowered therefor by any one of the above-mentioned persons.

TITLE VI

COMPANY ACCOUNTS

ARTICLE 24 – FINANCIAL YEAR

The financial year shall begin on 1 January and end on 31 December.

ARTICLE 25 - ACCOUNTING DOCUMENTS

At the close of each financial year, the Board of Directors shall draw up a detailed statement of assets and liabilities and the annual financial statements and, in addition, shall prepare a report on the management of the Company in compliance with applicable legal and regulatory provisions.

ARTICLE 26 - ALLOCATION AND DISTRIBUTION OF PROFIT

I - NET EARNINGS IN THE FINANCIAL YEAR - STATUTORY RESERVE – DISTRIBUTABLE PROFIT

Those amounts laid down by the legislation in force shall be set aside from the net earnings for the financial year, from which shall be deducted any losses carried forward from previous years when applicable.

The balance, plus any profit carried forward from previous years, shall form the distributable profit.

II - ALLOCATION OF DISTRIBUTABLE PROFIT - DISTRIBUTION OF RESERVES

1. Retained earnings and creation of reserves

An Ordinary General Meeting may set aside from the distributable profit any amounts to be carried forward or to be allocated to one or more reserve funds. Such reserve fund or funds shall be available for allocation to any purpose determined by a General Meeting of shareholders as proposed by the Board of Directors and in particular for the redemption or reduction of the capital by way of reimbursement or redemption of shares.

2. Dividends

The balance of the distributable profit shall be distributed between the shareholders in proportion to their shares in the capital of the Company.

3. Distribution of Reserves

The General Meeting may resolve to distribute sums taken from reserve funds of which it may freely dispose. In such event, the corresponding resolution shall expressly designate the reserve funds from which the payments are to be made.

4. Limitations on distribution

With the exception of the case of a reduction in share capital, no distribution shall be made to the shareholders if the shareholders' equity is, or would subsequently thereto become, lower than the amount of share capital plus those reserves that, under the laws and regulations in force, may not be distributed.

5. Distribution of portfolio securities

An Ordinary General Meeting may, as proposed by the Board of Directors, decide to allocate, for the purpose of all and any distributions of profits or reserves, negotiable securities held in portfolio by the Company, subject to an obligation for the shareholders to effect groupings as may be necessary to obtain the desired number of securities thus allocated.

III – PAYMENT OF DIVIDENDS

The manner in which dividends decided by the General Meeting are to be paid out shall be specified by the General Meeting or, failing this, by the Board of Directors, but payment within the period set by the laws and regulations in force shall be mandatory.

The General Meeting called in order to approve the financial statements for the financial year may grant each shareholder, for all or part of any distributed final or interim dividend, an option for the payment of that final or interim dividend in cash or in shares.

TITLE VII

DISSOLUTION – LIQUIDATION

ARTICLE 27

Unless otherwise provided by the laws and regulations in force, at the end of the Company's term of existence or in the event of its earlier dissolution, a General Meeting of shareholders shall determine the method of liquidation and appoint one or more liquidators whose powers the Meeting shall determine.

2. INFORMATION ABOUT THE COMPANY

2.1 CORPORATE NAME

Crédit Agricole Corporate and Investment Bank.

2.2 REGISTERED OFFICE

12, place des États-Unis
CS 70052
92547 MONTROUGE CEDEX
France
Tel: +33 (0)1 41 89 00 00
Website: www.ca-cib.com

2.3 FINANCIAL YEAR

The company's financial year begins on 1 January and ends on 31 December each year.

2.4 DATE OF INCORPORATION AND DURATION OF THE COMPANY

The Company was incorporated on 23 November 1973. Its term ends on 25 November 2064, unless the term is extended or the Company is wound up before that date.

2.5 LEGAL STATUS

Crédit Agricole Corporate and Investment Bank is a French *société anonyme* (joint stock Corporation) with a Board of Directors governed by ordinary company law, in particular the Second Book of the French Commercial Code (Code de commerce).

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the French Monetary and Financial Code (*Code Monétaire et Financier*). In this respect, Crédit Agricole CIB is subject to over-sight French Regulatory and Resolution Supervisory Authority (*Autorité de contrôle prudentiel et de résolution*). In its capacity as a credit institution authorised to provide investment services, the Company is subject to the French Monetary and Financial Code, particularly the provisions relating to the activity and control of credit institutions and investment service providers.

2.6 INVESTMENTS MADE BY CRÉDIT AGRICOLE CIB OVER THE PAST THREE YEARS

Completed acquisitions

Date	Investments	Financing
N/A		

N.B.: Crédit Agricole CIB cannot disclose certain information about investment amounts without violating confidentiality agreements or revealing information to its rivals that could be detrimental to the Group

Acquisitions in progress and upcoming

Crédit Agricole CIB has no significant investments to come and identified at this stage, and significant investments in progress.

2.7 NEW PRODUCTS AND SERVICES

Crédit Agricole CIB has marketed an innovative offer in accordance with the Paris Agreement. The offer consists of structured products indexed to equity markets and provides investors with a sustainable investment solution aligned with the European Union commitments in terms of carbon footprint reduction.

2.8 MATERIAL CONTRACTS

Crédit Agricole CIB has not entered into any material contracts conferring a significant obligation or commitment on the Crédit Agricole CIB Group, apart from those concluded within the normal conduct of its business.

2.9 RECENT TRENDS

Crédit Agricole CIB's perspectives have not suffered any significant deterioration since 31 December 2021, the date of its latest audited and published financial statements (see the "Recent trends and outlook" section of chapter 4 "2021 business review and financial information" of this present document).

2.10 SIGNIFICANT CHANGES

Post-closing events that are not supposed to impact accounts closed as of December 31, 2021.

Since 31 December 2021, there has been no significant change in the Group's financial or commercial situation has not occurred.

2.11 ISSUER STATEMENT

The present Universal Registration Document has been filed with AMF as competent authority under Regulation (UE) 2°17/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer of securities to the public or an admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This is a translation into English to the Universal Registration Document of the company issued in French an it is available on the website of the Issuer.

2.12 PUBLICLY AVAILABLE DOCUMENTS

The present document is available on the website:
https://www.ca-cib.com/about-us/financial-information

and on the French Financial markets authority (Autorité des Marchés Financiers, AMF) website in a French version:
www.amf-france.org

The entire regulated information, as defined by the AMF (under Title II of Book II of the AMF General Regulation), is available on the website of the Company:
https://www.ca-cib.com/about-us/financial-information/regulated-information

Caution: information found on the website is not included on the document, unless such information is incorporated by reference in the prospectus.

Articles of Association are available on section 1 "Articles of association effective at December, 31 2021" of chapter 8 "General information" of this present document.

A copy of these Articles of Association can also be obtained from Crédit Agricole CIB's Head Office and/or the French Trade and Companies Register (*Registre du Commerce et des Sociétés*).

3. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS

General Meeting for the approval of the financial statements for the year ended 31 December 2021

Crédit Agricole Corporate and Investment Bank - 12 place des Etats-Unis - 92547 Montrouge Cedex, France

To the Shareholders,

In our capacity as Statutory Auditors of Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB"), we hereby report to you on related party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of the agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

3.1. AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

In accordance with Article L. 225-40 of the French Commercial Code (Code de commerce), we have been notified of the following related party agreements entered into during the past financial year and which received prior authorization from your Board of Directors.

◆ Agreement for Crédit Agricole CIB to assume CA Indosuez's corporate income tax liability on the foreign exchange gains or losses relating to the CHF-denominated investments received in connection with the merger of CA Indosuez Wealth (Group) into CA Indosuez on 1 July 2021

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Société Crédit Agricole S.A., shareholder; corporate officers in common: Françoise Gri, Catherine Pourre and Philippe Brassac.

NATURE AND PURPOSE

The tax consolidation agreement entered into on 30 June 2020 between Crédit Agricole S.A. (CASA), Crédit Agricole CIB (CACIB) and CA Indosuez Wealth France (CAIWF) stipulates that CAIWF will bear a corporate income tax charge equal to that which it would have borne in the absence of tax consolidation and that it will pay its corporate income tax directly to Crédit Agricole S.A.

On 1 July 2021, as part of the merger of CA Indosuez Wealth (Group) into CA Indosuez Wealth France (now CA Indosuez), CA Indosuez (CAI) received all of the assets and liabilities of CAIWG, including as assets, the CHF-denominated securities of CAI Suisse (CAIS) and Azqore, and as liabilities, a CHF-denominated loan.

Unlike CAIWG, CAI is a credit institution and, pursuant to the provisions of Article 38-4, paragraph 2 of the French tax code (Code général des impôts), must include in its taxable income the foreign exchange gains or losses on foreign currency securities and loans as well as the income or expenses on hedging derivatives.

This will eventually lead to baseline tax neutrality, but, in the year of the merger, CAI must include in its taxable income a significant amount in respect of the first foreign exchange gains or losses on the CAIS and Azqore shares (the "Initial Tax Spread").

As the head of the tax consolidation subgroup, Crédit Agricole CIB benefited, in its relations with Crédit Agricole S.A., from the "Tax gain" resulting from the tax losses generated by CAIWG and, therefore, it seems justified to take on the cost of the corporate income tax on the Initial Tax Spread, up to the amount of the tax savings generated in the past in respect of:

- foreign exchange gains or losses on the CHF loan;
- and net financial expenses on hedging derivatives;
- as it would be unfair for CAI to bear this corporate income tax cost.

CONDITIONS

The agreement aims to provide a framework for Crédit Agricole CIB to assume the Initial Tax Spread, instead of CAI, pursuant to the following terms and conditions:

- the amount of CAI's tax exemption for 2021, corresponding to the Initial Tax Spread, capped at the Tax Gain related to the CHF hedges, i.e., a maximum of €49,798,767
- in the event that the taxable income declared by CAI for 2021 is less than the amount of the Initial Tax Spread and that the amount of CAI's contribution to the Group's tax payment before the exemption organised by the agreement ("2021 Gross Contribution") is less than the amount of the Initial Tax Spread, the parties agree that the amount in excess over the 2021 Gross Contribution will be subtracted from the amount that CAI contributes to the Group's tax payment for the following financial years, until the difference is zeroed out.

- Crédit Agricole CIB, as the head of the tax consolidation subgroup having benefited from the "Tax gains" that resulted from CAIWG's deduction of foreign exchange gains or losses on CHF-denominated borrowings and the net financial expenses on hedging derivatives in respect of previous financial years, agrees to pay the Initial Tax Spread, from which CAI is exempt.
- Crédit Agricole CIB does not owe any compensation to CAI for the losses generated by the absorbed CAIWG beyond the tax savings previously generated by the foreign exchange gains or losses on the CHF-denominated loan and the net financial expenses on hedging derivatives.

REASONS JUSTIFYING WHY THE COMPANY BENEFITS FROM THIS AGREEMENT

This agreement is a related party agreement governed by the provisions of Article L.225-38 of the French Commercial Code.

While the strict application of tax consolidation rules (which provide that the absorbed company CAIWG's losses are forfeited) would not in principle lead to Crédit Agricole CIB paying CA Indosuez's corporate income tax following the revaluation of its CHF-denominated shares, it would seem legitimate to provide for such payment for the benefit of CA Indosuez (which takes over CAIWG's rights and obligations) and within the limit of the tax savings previously generated by Crédit Agricole CIB insofar as Crédit Agricole CIB previously benefited from these tax savings in past years thanks to the losses generated by CAIWG.

◆ Guarantee granted to the corporate officers

CORPORATE OFFICERS CONCERNED:

Members of the Board of Directors

NATURE AND PURPOSE

To enable the Company to assume the costs resulting from proceedings against all corporate officers, including directors, the Board of Directors, at its meeting of 20 December 2012, was asked to authorise the conclusion of a guarantee in favour of directors, including the Chairman.

CONDITIONS

The purpose of this guarantee is to cover any risk of liability in legal or administrative proceedings initiated against corporate officers, notably in the United States, during the period set under the statute of limitations applicable to the claims in question, plus three months. It was submitted to the shareholders for approval at the Ordinary General Meeting of 30 April 2013 based on the Statutory Auditors' report on related party agreements, in accordance with Article L.225-42 of the French Commercial Code (Code de commerce), the Board having recused itself insofar as all Directors were concerned.

In view of the positions held by the Directors within the Company, the Board was asked, at its meeting of 29 October 2015, to authorise the amendment of the guarantee in favour of the Directors in order to give it the same degree of clarity as that authorised by the Board of Directors at its meeting of 30 July 2015 in favour of the members of Executive Management.

Having noted that all Directors were concerned and that they could therefore not take part in the vote, the Board of Directors submitted this agreement to the approval of the Ordinary General Meeting of 9 May 2016 on the basis of the Statutory Auditors' special report, in accordance with Article L.225-42 of the French Commercial Code (Code de commerce).

All of the Directors benefit from this guarantee.

REASONS JUSTIFYING WHY THE COMPANY BENEFITS FROM THIS AGREEMENT

During 2021, the Board of Directors authorised the application of this guarantee to Laure Belluzzo, co-opted by the Board of Directors on 2 November 2021, to Guy Guilaumé and Claude Vivenot, appointed as Directors by the General Meeting on 3 May 2021.

3.2. AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the past financial year.

With Crédit Agricole S. A., shareholder holding more than 10% of voting rights

◆ Subscription for preferred shares or super-subordinated notes (*titres super subordonnées* "TSS")

NATURE AND PURPOSE

Within the context of the strengthening of the shareholders' equity made necessary by the transfer to Crédit Agricole CIB (formerly Crédit Agricole Indosuez) of the Corporate and Investment Banking activities of Crédit Lyonnais, the Board of Directors, at its meeting on 4 March 2004, authorised one or more issues of super-subordinated notes or preferred shares.

CONDITIONS

In this context, Crédit Agricole S. A. subscribed to two series of USD-denominated super-subordinated notes issued in 2004 for a total of USD 1,730 million.

During 2014, one of the issues for USD 1,260 million was redeemed in advance on 28 February 2014.

For the only issue of USD 470 million, still outstanding and partially reimbursed at the beginning of 2019 for an amount of USD 270 million (the lifetime notional amount for 2021 was USD 200 million), the total coupon due for 2021, excluding late-payment interest, was USD 3,850,000.

◆ Agreement relating to the payment of the Euribor fine

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, François Thibault (until the end of his term of office at Crédit Agricole S.A. on 13 May 2020), Director of both Crédit Agricole S.A. and Crédit Agricole CIB, as well as, in the same capacity, François Veverka and Jean-Louis Roveyaz until the end of their terms of office as members of the Board of Directors of Crédit Agricole CIB on 4 May 2017.

NATURE AND PURPOSE

On 7 December 2016, the European Commission sentenced Crédit Agricole CIB and Crédit Agricole S.A., considered to be jointly and severally liable, to a fine of €114,654,000 after an investigation carried out by the Commission concluding that a cartel existed among seven banking institutions in relation to interest-rate derivatives in euros by agreeing on the determination of the Euribor benchmark interest rate.

As soon as the Commission's judgement was delivered, Crédit Agricole announced that it would appeal the decision before the General Court of the European Union. An appeal was filed on 17 February 2017.

As the appeal did not stay the judgement, Crédit Agricole had to pay the full amount of the fine by 5 March 2017.

Within this context, it was provided that Crédit Agricole S.A. and the Company should enter into an agreement determining the conditions relating to the provisional payment of the fine, and that the conditions of the breakdown between them of the final amount of the fine that may have to be paid would be decided after all European judicial remedies had been exhausted.

CONDITIONS

At its meeting on 10 February 2017, the Board of Directors of Crédit Agricole CIB authorised the draft agreement between Crédit Agricole S.A. and Crédit Agricole CIB under which:

- in the period prior to the obtaining of a decision by a court of last instance having the force of res judicata, Crédit Agricole S.A. shall provisionally bear and pay the amount of €114,654,000 in respect of the penalty;
- the conditions of the breakdown of the final amount of the potential penalty shall be determined by mutual agreement between Crédit Agricole S.A. and Crédit Agricole CIB at a later date, following a decision by a court of last instance having the force of res judicata.

The agreement was authorised in identical terms by the Board of Directors of Crédit Agricole S.A. on 20 January 2017.

In accordance with the delegation granted by their respective Boards, this agreement was signed on 27 February 2017 by Crédit Agricole CIB's CEO and the CEO of Crédit Agricole S.A. The penalty was paid within the statutory time limit, i.e., before 5 March 2017.

◆ Business transfer agreement relating to the transfer of the banking services division activities from Crédit Agricole S.A. to Crédit Agricole CIB

This agreement was the subject of an amendment authorised by the Board of Directors on 10 December 2020, which follows this agreement.

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Françoise Gri, Catherine Pourre and François Thibault (until the end of his term of office at Crédit Agricole S.A. on 13 May 2020), Directors of both Crédit Agricole S.A. and Crédit Agricole CIB, as well as, in the same capacity, Jean-Pierre Paviet until the end of his term of office on 4 May 2018.

NATURE AND PURPOSE

In line with the "Strategic Ambition 2020" Medium-Term Plan, which aims to refocus Crédit Agricole S.A. on its core activities, Crédit Agricole S.A. and Crédit Agricole CIB agreed to transfer Crédit Agricole S.A.'s Banking Services Division ("BSD") to the Crédit Agricole CIB's Operations & Country COOs Division ("OPC").

The transaction took the form of a business transfer agreement including:

- a settlement and correspondent banking activity consisting for the Banking Services Department in account management and the provision of services related to this account management (particularly electronic transfers, cheque clearing, etc.) for internal and external customers of the Crédit Agricole Group;
- an account management activity for the Regional Banks and some of the other Crédit Agricole Group credit institutions; and level 1 filter alert processing.

This processing transfer excluded the management of certain accounts opened by Regional Banks with Crédit Agricole S.A. in its capacity as central body in accordance with the applicable regulations.

CONDITIONS

At its meeting of 12 December 2017, Crédit Agricole CIB's Board of Directors authorised the transfer of the BSD activities, as described above, by means of a business transfer agreement effective 1 January 2018. Since that date, Crédit Agricole CIB has operated the acquired business with the transferred human and material resources.

However, for operational reasons and, in particular, IT system migrations, Crédit Agricole CIB was not able to open accounts for BSD customers on the transfer date. Consequently, accounts opened by customers will continue to be administered by Crédit Agricole S.A. during a transition period and will be opened by Crédit Agricole CIB during and at the end of the transition period according to a schedule based on progress made in the work to be done by Crédit Agricole CIB, which is expected to be completed no later than 31 December 2022 (this period was extended in view of the amendment authorised by the Board of Directors on 10 December 2020). During this transition period, Crédit Agricole S.A. will pass back to Crédit Agricole CIB the revenue from the operations of the transferred business received by Crédit Agricole S.A. from BSD customers. At the same time, all expenses, costs and liabilities incurred by Crédit Agricole S. A. in respect of the transferred business will be paid by Crédit Agricole CIB.

The business transfer was granted and accepted in return for the payment of fifty-seven thousand euros (€57,000).

As the business transfer agreement is not a routine business transaction for Crédit Agricole S.A. or Crédit Agricole CIB and thus cannot be considered as an "ordinary transaction entered into on an arm's length basis", it falls within the scope of a related party agreement governed by the provisions of Article L.225-38 of the French Commercial Code (*Code de commerce*).

◆ Amendment to the business transfer agreement relating to the transfer of the banking services division's activities from Crédit Agricole S.A. to Crédit Agricole CIB

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Crédit Agricole S.A., shareholder; corporate officers in common: Françoise Gri, Catherine Pourre, Philippe Brassac and François Thibault (until the end of his term of office at Crédit Agricole S. A. on 13 May 2020).

DESCRIPTION OF THE INITIAL PROJECT

On 1 January 2018, Crédit Agricole S.A. transferred certain activities managed by its Banking Services Division ("BSD") to Crédit Agricole CIB, by means of a business transfer agreement entered into on 20 December 2017.

The management of certain accounts opened by the Regional Banks with Crédit Agricole S. A. in its capacity as central body, in accordance with the applicable regulations, was nevertheless excluded from the scope of the transfer and maintained at Crédit Agricole S. A.

For operational reasons, in particular the migration of IT systems, Crédit Agricole CIB was not able, as of 1 January 2018, to open accounts for the BSD customers. Consequently, it was agreed that Crédit Agricole S.A. would maintain its contractual relations with the BSD customers and would continue to manage the accounts opened by the latter, during a transition period starting on 1 January 2018.

NATURE AND PURPOSE

Crédit Agricole CIB and Crédit Agricole S.A. decided to negotiate and establish the terms and conditions of changes to the initial project through an amendment to the business transfer agreement.

Crédit Agricole S.A. and Crédit Agricole CIB proposed to marginally adjust the scope of the transfer so as to exclude the following transferred activities, maintained at Crédit Agricole S.A. since 1 January 2018:

- CRCA and AMUNDI "mandatory reserve" accounts;
- BforBank "Investment" and "Refinancing" accounts;
- Two embargoed accounts and one account held by a deceased individual.

At the same time, Crédit Agricole S.A. and Crédit Agricole CIB also planned to extend the time limit of the transition period.

TERMS AND CONDITIONS

The business transfer agreement is cancelled in part, with retroactive effect from 1 January 2018, in order to expressly exclude the activities maintained from the scope of the transfer, as well as all the rights and obligations attached thereto such as existed at the date of transfer, and to include them in the excluded activities with retroactive effect from the date of transfer.

The partial cancellation of the business transfer agreement does not give rise to the retrocession by Crédit Agricole S.A. to Crédit Agricole CIB of a share of the transfer price relating to the maintained activities, the latter having been valued at zero when the transfer price was established.

The time limit for the transition period is extended until a date to be mutually agreed by Crédit Agricole S.A. and Crédit Agricole CIB when the IT systems migration will be completed and the other operational constraints will have been lifted, and no later than 31 December 2022 (or possibly mid-2023). In addition, Crédit Agricole S.A. and Crédit Agricole CIB may mutually agree to change the time limit at any time during the transition period.

The conclusion of the amendment to the business transfer agreement is not a routine business transaction for Crédit Agricole S.A. or Crédit Agricole CIB. Consequently, the amendment to the business transfer agreement cannot be characterised as an "ordinary transaction entered into on an arm's length basis" either for Crédit Agricole S.A. or for Crédit Agricole CIB, and both companies must comply with the related party agreements procedure.

◆ Billing and collection mandate as part of the transfer of Crédit Agricole S.A.'s IT services management activities (MSI) to Crédit Agricole CIB.

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Françoise Gri, Catherine Pourre and François Thibault (until the end of his term of office at Crédit Agricole S.A on 13 May 2020), Directors of both Crédit Agricole S.A and Crédit Agricole CIB, as well as, in the same capacity, Jean-Pierre Paviet until the end of his term of office on 4 May 2018.

NATURE AND PURPOSE

At its meeting on 12 December 2017, the Board of Directors of Crédit Agricole S. A. approved the transfer of Crédit Agricole S.A.'s IT services management activities ("ITSM") to Global IT ("GIT"), which performs the same functions for Crédit Agricole CIB.

The transfer of the activity took effect on 1 January 2018.

The transfer itself does not constitute a related party agreement but, as part of this transaction, Crédit Agricole CIB and Crédit Agricole S.A. set up a temporary billing and collection mandate, which falls within the scope of paragraph 2 of Article L.225-38 of the French Commercial Code (Code de commerce) regarding related party agreements. In this respect, this mandate was authorised by the Board of Directors of Crédit Agricole CIB at its meeting on 12 December 2017.

CONDITIONS

During a six- to twelve-month transition period starting from the ITSM transfer date, certain Credit Agricole Group entities may benefit from ITSM services, on the basis of signed quotes. Billing and collection services will be carried out by Crédit Agricole S.A. under a billing and collection mandate, which includes, in particular, Crédit Agricole S.A.'s warranty given to Crédit Agricole CIB concerning the collection, from the entities benefiting from these services, of the amounts billed by Crédit Agricole S.A. in the name and on behalf of Crédit Agricole CIB.

At the end of this transition period, Crédit Agricole CIB may decide, if appropriate, to perform the services for these Group entities, through another Crédit Agricole Group entity, depending on the result of the services performed during the transition period, regulatory changes and any other reorganisation of activities carried out within the Credit Agricole Group.

◆ Tax consolidation agreement between Crédit Agricole S.A. and Crédit Agricole CIB

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Crédit Agricole S.A., shareholder; corporate officers in common: Françoise Gri, Catherine Pourre and Philippe Brassac.

NATURE AND PURPOSE

In 1996, Crédit Agricole S.A. signed a tax consolidation agreement with Crédit Agricole CIB, which was renewed on 22 December 2015 for the period 2015–2019, its purpose being to govern relations between Crédit Agricole S.A. on the one hand, and Crédit Agricole CIB and its consolidated subsidiaries on the other.

Under this agreement, Crédit Agricole CIB is deemed to constitute, along with its consolidated subsidiaries and sub-subsidiaries, a subgroup forming a tax subgroup, and thus calculates its corporate income tax on the basis of the overall results for its consolidated subsidiaries and sub-subsidiaries in its subgroup.

In addition, when the result of Crédit Agricole CIB's subgroup is a loss, it receives the savings in corporate income tax generated by the group for the amount of the loss of this subgroup effectively allocated by Crédit Agricole S.A.

As the previous tax consolidation agreement expired in 2020, a new agreement was signed for the period 2020-2024.

This tax consolidation agreement falls within the scope of the related party agreements referred to in Article L.225-38 of the French Commercial Code and must in principle be subject to prior authorisation by the Board of Directors. As the renewal of the tax consolidation agreement was signed on 9 December 2020 before prior approval by the Board of Directors, it is therefore subject to ex-post approval by the Board of Directors on 9 February 2021.

CONDITIONS

This renewal concluded in 2020 between Crédit Agricole CIB and Crédit Agricole S.A. covers the period 2020-2024.

First, the amount of the definitive compensation for 2020 is zero (the amount of the provisional compensation for 2020 was estimated at €40.7 million in our letter of 16 March), and, second, the amount of the provisional compensation for 2021 is also zero.

With Crédit Lyonnais

◆ Agreement for the indemnification of Crédit Lyonnais by the Company

NATURE AND PURPOSE

The Corporate and Investment Banking business of Crédit Lyonnais was transferred to Crédit Agricole CIB (formerly Crédit Agricole Indosuez) on 30 April 2004 with retroactive effect from 1 January 2004, except for outstanding short-, medium- or long-term commercial loans for which Crédit Agricole CIB preferred to defer the effective date until 31 December 2004 at the latest, mainly due to the time needed to complete their transfer.

To comply with the principle of retroactive effect from 1 January 2004, Crédit Agricole CIB undertook to indemnify Crédit Lyonnais for the counterparty risks relating to those loans from 1 January 2004.

CONDITIONS

The amount of the guarantee was €1.87 million at 31 December 2021. The amount of compensation due in respect of 2021 was €4,431.04, excluding taxes.

With Crédit Agricole S.A., shareholder holding more than 10% of voting rights, Crédit Agricole *Technologies et Services*, Crédit Agricole *Assurances Solutions*, CA Consumer Finance, Crédit Agricole Group Solutions, Crédit Agricole Payment Services, Crédit Lyonnais and *Fédération Nationale du Crédit Agricole*

◆ Shareholders' Agreement on the rules of governance of CA-GIP

This agreement was the subject of an amendment authorised by the Board of Directors on 3 August 2020, which follows this agreement.

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Jacques Boyer (until the end of his term of office as member of the Board of Directors of Crédit Agricole CIB on 3 May 2021), Olivier Gavalda, Luc Jeanneau and François Thibault (until the end of his term of office at Crédit Agricole S.A on 13 May 2020), Nicole Gourmelon (until the end of her term of office as member of the Board of Directors of Crédit Agricole CIB on 7 May 2019), Françoise Gri and Catherine Pourre, executive officers and/or directors of the companies concerned.

NATURE AND PURPOSE

Pursuant to the above-mentioned agreement, some of the parties agreed to set up a new company, CA-GIP, to lead the project concerning the merging of some of the Crédit Agricole Group's IT infrastructure and production activities. This company was formed in order to host, as from 1 January 2019, SILCA and the IT production activities of Crédit Agricole *Technologies et Services*, Crédit Agricole CIB in France and Crédit Agricole *Assurances Solutions*. Its role is to host the IT production activities of other Crédit Agricole Group entities. Together, the shareholder parties hold 100% of the share capital and voting rights of the company.

Within this context, the parties wished, through the Shareholders' Agreement:

- to supplement the rules of governance of CA-GIP provided for in the articles of incorporation;
- to organise their relationship as shareholders;
- to determine the conditions that they intend to comply with in the event of the transfer of all or part of their stake in the Company's capital.

The Shareholders' Agreement relating to Crédit Agricole-Group Infrastructure Platform notably lays down the following rules of governance specific to Crédit Agricole-Group Infrastructure Platform: a Board of Directors composed 50/50 of Regional Banks and their subsidiaries or IT production entities and the Crédit Agricole S.A. Group, with a Chairman of the company who is also Chairman of the Board of Directors, appointed upon the proposal made by the Regional Banks and a Chief Executive Officer appointed upon the proposal made by the Crédit Agricole S.A. Group.

Noting, in addition to the presence of executive officers and directors in common, that the rules of governance described above do not reflect the intended division of capital between the Regional Banks and their subsidiaries (36%) and the Crédit Agricole S.A. Group (64%), it was considered that this Shareholders' Agreement constituted a related party agreement within the meaning of the provisions of the French Commercial Code (*Code de commerce*).

The Shareholders' Agreement was signed on 8 June 2018.

CONDITIONS

The Shareholders' Agreement specifies the rules of governance of Crédit Agricole-Group Infrastructure Platform, as concerns both the executive and the supervisory functions of the management body, as well as those of the subsidiary to be formed in accordance with the agreement. In particular, it organises the rules relating to the financing of the company and the transfer of securities, as well as any conditions of the exit of a shareholder and the conditions under which the company's services will be provided.

◆ Amendment to the Shareholders' Agreement on the rules of governance of CA-GIP

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Crédit Agricole S.A., shareholder; corporate officers in common: Jacques Boyer (until the expiry of his term of office as director on the Board of Directors of Crédit Agricole CIB on 3 May 2021), Philippe Brassac, Paul Carite, Olivier Gavalda, Luc Jeanneau, Odet Triquet, Françoise Gri, Catherine Pourre, and Laurence Renoult (until the expiry of her term of office as director on the Board of Directors of Crédit Agricole CIB on 30 October 2021).

NATURE AND PURPOSE

For the record, the formation of CA-GIP concerned the merger of some of Crédit Agricole Group's IT infrastructure and production activities. Within this context, several agreements were signed, some of which were related party agreements.

The parties (CATS, CASA, CAAS, CACF, CACIB, CAGS, CAPS, LCL and FNCA) notably entered into a Shareholders' Agreement on 8 June 2018 concerning the rules of governance of CA-GIP and supplementing the articles of association of the latter, organising the parties' relationships as shareholders, and determining the conditions with which the parties intend to comply in the event of the transfer of all or part of their stake in the Company's share capital.

In accordance with Articles L.225-38 et seq. of the French Commercial Code (*Code de commerce*), and due to the different signatories having directors in common, this Shareholders' Agreement is considered to be a related party agreement. Consequently, any subsequent change or amendment to this Shareholders' Agreement must be submitted to the Board of Directors for approval.

CONDITIONS

By this amendment, the parties intend to modify the clauses and conditions of the Shareholders' Agreement initially entered into to facilitate the functioning of its governance bodies:

- Facilitating the functioning of the Board of Directors of CA-GIP;
- Ensuring flexibility in the appointment of the Chairs of specialist committees (in particular, the Audit and Finance Committee): Article 2.4.9.1(c);
  - Composition of the Audit and Finance Committee/Article 2.4.9.1(d);
  - Chair of the Audit and Finance Committee.

With Crédit Agricole S. A., shareholder holding more than 10% of voting rights, Crédit Agricole *Assurances Solutions*, Crédit Lyonnais, CA Consumer Finance, Credit Agricole Group Solutions, Credit Agricole-Group Infrastructure Platform and SILCA.

◆ SILCA guarantee agreement on the representations and warranties granted by the shareholders of SILCA for the benefit of CA-GIP, as well as the respective rights and obligations of the parties in the event of breach or inaccuracy of one or more of said representations

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Jacques Boyer (until the end of his term of office as member of the Board of Directors of Crédit Agricole CIB on 3 May 2021), Olivier Gavalda, François Thibault (until the end of his term of office at Crédit Agricole S.A. on 13 May 2020), Nicole Gourmelon (until the end of her term of office as member of the Board of Directors of the Company on 7 May 2019), Françoise Gri and Catherine Pourre, executive officers and/or directors in common of the companies concerned.

NATURE AND PURPOSE

At its meeting on 4 May 2018 during which it authorised the signing of the agreement, the Company's Board of Directors was informed that the signatories would undertake that the agreements for the contribution or divestment of business activities would provide for clauses guaranteeing assets and liabilities relating to management prior to the completion date and that, in the case of SILCA, a special mechanism must be studied insofar as this entity would be the subject of a merger before the expiry of the liability warranties.

The purpose of the guarantee agreement authorised by the Board of Directors is to set out the representations and warranties granted by the guarantors (SILCA shareholders) for the benefit of Crédit Agricole - Group Infrastructure Platform in respect of the merger of SILCA with CA-GIP, as well as the respective rights and obligations of the parties in the event of breach or inaccuracy of one or more of said representations.

CONDITIONS

The main conditions of the SILCA Guarantee are as follows:

- For a period of 36 months as from 1 January 2019, the Guarantors undertake, each in proportion to its share in the capital of SILCA at the date of completion of the merger, to indemnify CA-GIP for:
  - any increase in liabilities or any reduction in assets caused by or arising out of a fact or an event prior to 1 January 2019;
  - any damage suffered by CA-GIP as a result of the inaccuracy or untruthfulness of a representation relating to the assets transferred within the framework of the merger;
  - any damage suffered by CA-GIP following a third-party claim relating to acts prior to 1 January 2019 attributable to SILCA.

  The period of 36 months is replaced by the statute of limitations concerning any damage suffered by CA-GIP due to the inaccuracy or untruthfulness of a representation relating to SILCA.

  The indemnification commitment for damage suffered by CA-GIP relating to tax matters will expire at the end of a period of ten working days as from the expiry of the statute of limitations.
- A threshold of €10,000 (ten thousand euros) per claim has been set for a claim to be taken into account.
- The parties have not set any aggregate limit.

The agreement was signed on 21 November 2018. No claim was made under this guarantee in respect of 2021.

Neuilly-sur-Seine and Paris-La Défense, 22 March 2021

The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit		**ERNST & YOUNG ET AUTRES**	
Agnès Hussherr-Harel	Laurent Tavernier	Olivier Durand	Matthieu Préchoux

4. RESPONSIBILITY STATEMENT

Person reponsible for the universal registration document

Jacques RIPOLL, Chief Executive Officer of Crédit Agricole CIB.

Responsibility statement

I hereby certify that, the information contained in the present Universal Registration Document is true and accurate and contains no omission likely to affect the import thereof.

I hereby certify that, to my knowledge, the consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and all entities included in the consolidated scope, and that the management report, made up of the sections indicated in the cross-reference table included in Chapter 8 of the present Document, provides a fair view of the development and performance of the business, profit or loss and financial position of the Company and of all the entities included in the consolidation scope, and that it describes the principal risks and uncertainties that they face.

Montrouge, 25th March 2022

The Chief Executive Officer of Crédit Agricole CIB
Jacques RIPOLL

5. STATUTORY AUDITORS

5.1 PRIMARY AND ALTERNATE STATUTORY AUDITORS

Primary statutory auditors	
Ernst & Young and Others Member of the Ernst & Young network	PricewaterhouseCoopers Audit Member of the PricewaterhouseCoopers network
Member of the Versailles regional association of Statutory auditors Company represented by: Olivier Durand and Matthieu Préchoux	Member of the Versailles regional association of Statutory auditors Company represented by: Agnès Hussherr and Laurent Tavernier
Head Office: 1-2, place des Saisons 92400 Courbevoie - PARIS-La Défense - France	Head Office: 63, rue de Villiers 92200 NEUILLY-SUR-SEINE

Length of statutory auditors' mandates	
The mandate of Ernst and Young and Others as the Statutory Auditor has been renewed for six financial periods by the Shareholders at the General Meeting held on May 4, 2018.	The mandate of PricewaterhouseCoopers Audit as the Statutory Auditor has been renewed for six financial periods by the Shareholders at the General Meeting held on May 4, 2018.
Length of alternate auditors' mandates	
The mandate of Picarle and Associates as Alternate Statutory Auditor of Ernst and Young and Others was not renewed by the Shareholders at the General meeting held on May 4, 2018, in accordance with the provisions of Section L. 823-1 of the Code of Commerce and Article 18 of the Company's Statutes.	The mandate of Mr. Etienne as Alternate Statutory Auditor of PricewaterhouseCoopers Audit was not renewed by the Shareholders at the General meeting held on May 4, 2018, in accordance with the provisions of Section L. 823-1 of the Code of Commerce and Article 18 of the Company's Statutes.

6. CROSS-REFERENCE TABLE

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 of the Commission as of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004 (Annex I), in application of the Directive, said "Prospectus". It refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

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[1] *In accordance with Annex I of European Regulation 2017/1129, the following are incorporated by reference:*

- the consolidated and annual financial statements for the year ended 31 December 2020 and the corresponding Statutory Auditors' Reports, as well as the Crédit Agricole CIB's management report, appearing respectively on pages 280 to 396 and 408 to 440, on pages 397 to 403 and 441 to 446 and on pages 130 to 140 of the Crédit Agricole CIB Universal Registration Document 2020 registered by the AMF on 24 march 2020 under number D.21-0183. The information is available via the following link: Universal Registration document 2020.

- the consolidated and annual financial statements for the year ended 31 December 2019 and the corresponding Statutory Auditors' Reports, as well as the Crédit Agricole CIB's management report, appearing respectively on pages 266 to 379 and 390 to 421, on pages 380 to 385 and 422 to 428 and on pages 119 to 129 of the Crédit Agricole CIB Universal Registration Document 2019 registered by the AMF on 25 march 2020 under number D.20-0170. The information is available via the following link: Universal Registration document 2019.

The sections of the Universal registration document 2020 and the Universal registration document 2019 not referred to above are either not applicable to investors or are covered in another part of this universal registration document.

All these documents incorporated by reference in the present document have been filed with the French Financial Markets Authority (Autorité des marchés financiers) and can be obtained on request free of charge during the usual office opening hours at the headquarters of the issuer as indicated at the end of the present document. These documents are available on the website of the issuer (Activity reports & Universal Registration Documents | Crédit Agricole CIB (ca-cib.com) and on the website of the AMF (www.amf-france.org).

The information incorporated by reference has to be read according to the following cross-reference table. Any information not indicated in the cross-reference table but included in the documents incorporated by reference is only given for information.

REGULATED INFORMATION WITHIN THE MEANING OF BY ARTICLE 221-1 OF THE AMF GENERAL REGULATION CONTAINED IN THIS UNIVERSAL REGISTRATION DOCUMENT

This Universal Registration Document, which is published in the form of an annual report, includes all components of the 2020 annual financial report referred to in paragraph I of Article L. 451-1-2 of the Code Monétaire et Financier as well as in Article 222-3 of the AMF General Regulation and the Ordinance 2017-1162 of 12/07/2017.

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Pursuant to Articles 212-13 and 221-1 of the AMF General Regulation, this document also contains the following regulatory information

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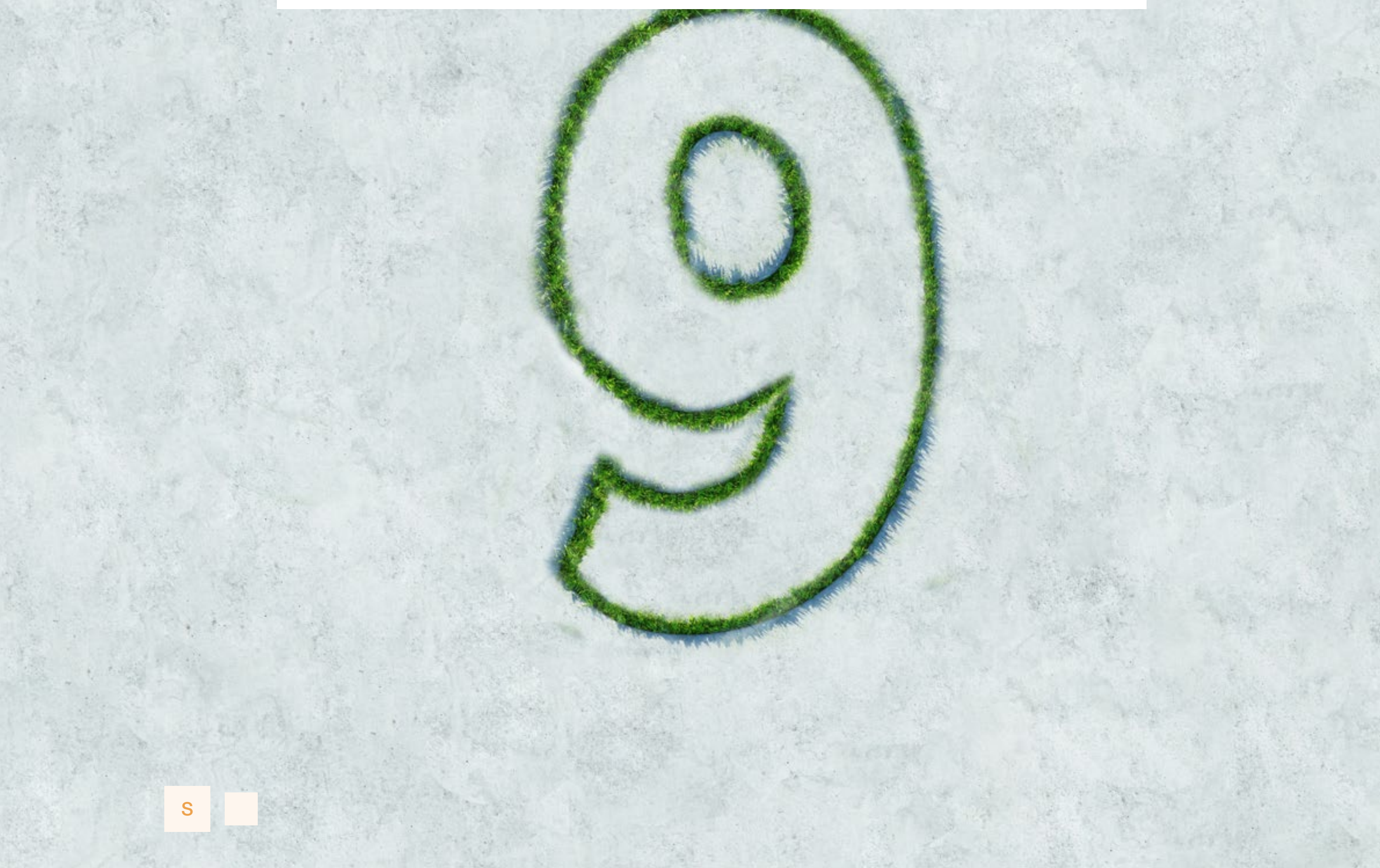
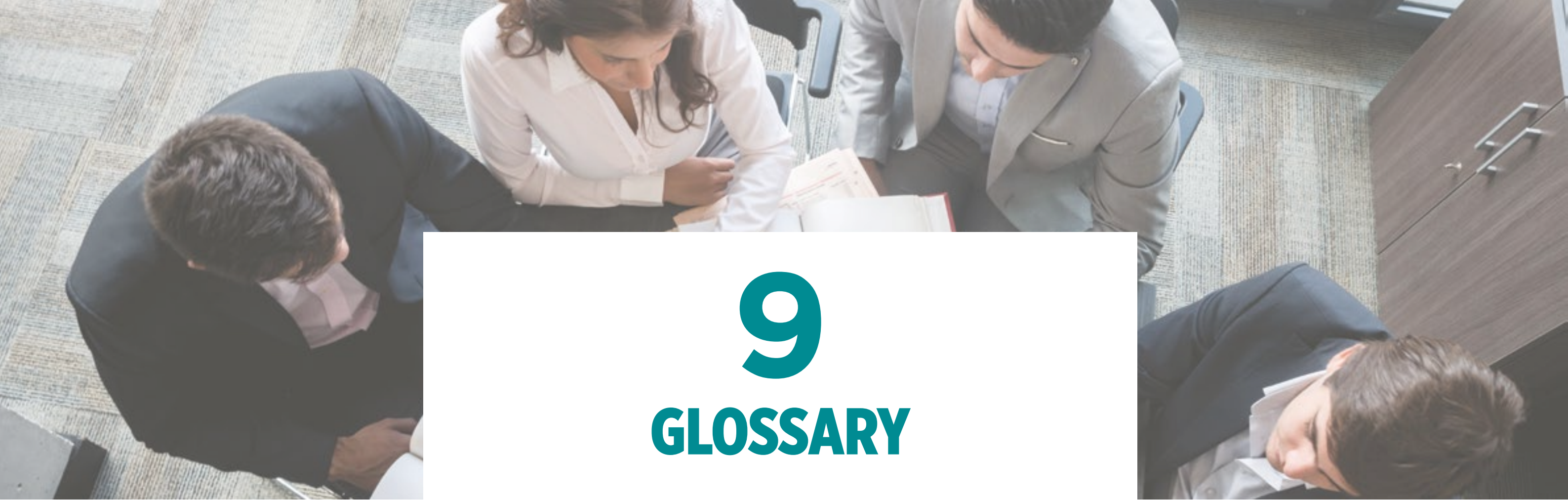
GLOSSARY

Of the main technical terms / acronyms used





9 GLOSSARY

A

ABS	Asset-Backed Securities: securities which represent a portfolio of financial assets (excluding mortgage loans) for which the cash flows are based on those of the underlying asset or asset portfolio.
ACPR	*Autorité de Contrôle Prudentiel et de Résolution*/French Regulatory and Resolution Supervisory Authority: French banking supervisory body.
AFEP-Medef	*Association Française des Entreprises Privées - Mouvement des Entreprises de France* (Corporate governance code of reference for publicly traded companies).
AFS	Available For Sale.
ALM	Asset and Liability Management: management of the financial risks borne by an institution's balance sheet (interest rate, currency, liquidity) and its refinancing policy in order to protect the bank's asset value and/or its future profitability.
AMA	Advanced Measurement Approach.
AMF	*Autorité des Marchés Financiers*/French Financial markets authority
AQR	Asset Quality Review: includes regulatory risk evaluation, review of the quality of the actual assets and stress tests.
Asset encumbrance	Asset encumbrance corresponds to assets used to secure, collateralize or back up a credit facility for any type of transaction.
Assets under management (1)	All assets under management by Indosuez Wealth Management
AT1	Additional Tier 1: capital eligible under Basel 3 made up of perpetual debt instruments without any redemption incentive or obligation. It is subject to a loss absorption mechanism where the CET1 ratio falls below a given threshold, fixed in their prospectus.

B

Back-testing	Method used to check the relevance of models and the suitability of the VaR (Value at Risk) in light of the risks actually borne.
Basel I (agreements)	Regulatory mechanism established in 1988 by the Basel Committee, to ensure the solvency and stability of the international banking system by setting a minimum, standardised, international limit on the capital of banks. It introduced a minimum capital ratio out of a bank's total risks of 8%.
Basel II (agreements)	Regulatory mechanism intended to better identify and limit the risks of credit institutions. It mainly concerns the credit risk, market risks and operational risks of banks.
Basel III (agreements)	Regulatory standards for banks, which replace the previous Basel 2 agreements by increasing the quality and quantity of the minimum capital that banks are required to hold against the risk they take. It also introduces minimum standards for liquidity risk management (quantitative ratios), defines measures attempting to curb the financial system's pro-cyclicality (capital buffers varying according to the economic cycle) and tightens the requirements on institutions considered as systemically important. In the European Union, these regulatory standards were introduced under Directive 2013/36/EU (CRD 4 – Capital Requirements Directive) and Regulation (EU) No. 575/2013 (CRR – Capital Requirements Regulation).
BCBS	Basel Committee on Banking Supervision: institution made up of the governors of the central banks of the G20 countries responsible for strenghtening the global financial system and improving the effectiveness of regulatory checks and of cooperation between banking regulators.
Benchmark rate	Interest rate set by a country's or currency zone's central bank to regulate economic activity. Principal tool in a central bank's arsenal for fulfilling its role of regulating economic activity: inflation, stimulation of growth.
Bookrunner	Bookrunner (in investment transactions).
Bps	Basis points.

(1) APM-Alternative Perfomance Measures (details on Chapter 4, note 1.7, of this document).

C

Capital requirements	Regulatory capital requirements, amounting to 8% of the risk weighted assets (RWA).
CCF	Credit Conversion Factor.
CCP	Central Counterparty.
CDO	Collateralised Debt Obligations, or debt securities linked to a portfolio of assets which can be bank loans (mortgages) or bonds issued by companies. The payment of interest and the principal may be subordinated (creation of tranches).
CDPC	Credit Derivatives Products Companies (companies specialising in selling protection against credit default via credit derivatives).
CDS	Credit Default Swap: an insurance mechanism against credit risk in the form of a bilateral financial contract, in which a buyer of protection pays a periodic premium to a protection seller, who promises to offset the losses on a reference asset (sovereign debt securities, securities issued by financial institutions or companies) in the event of a credit event (bankruptcy, default, moratorium, restructuring).
CGU	Cash generating unit: the smallest asset group identifiable which generates cash inflows which are largely independent of those generated by sundry assets or asset groups, according to IAS 36. "According to IFRS, a company must define as many cash generating units (CGUs) as possible which comprise it, these CGUs must be largely independent in their transactions and the company must allocate its assets to each of these CGUs. It is at the level of these CGUs that impairment tests are carried out occasionally, if there is reason to believe that their value has fallen, or every year if they make up the goodwill."
CHSCT	*Comité d'Hygiène, de Sécurité et des Conditions de Travail*/Health, Safety and Working Conditions Committee.
CLO	Collateralised Loan Obligation: credit derivative relating to a homogeneous portfolio of business loans.
CMBS	Commercial Mortgage-Backed Securities: debt security backed by a portfolio of assets made up of corporate mortgage loans.
CMS	Constant Maturity Swap: contract which enables a short-term interest rate to be exchanged for a longer term interest rate.
Collateral	Transferable asset or guarantee given, used to pledge repayment of a loan if the beneficiary of the loan is unable to meet their payment obligations.
Common Equity Tier 1	Common Equity Tier 1 capital of the institution which mainly consist of the share capital, the associated share premiums and reserves, less regulatory deductions.
Common Equity Tier 1 ratio	Ratio between Common Equity Tier 1 capital and assets weighted by risk, according to CRD4/CRR rules. Common Equity Tier 1 capital has a stricter definition than under the former CRD3 rules (Basel II).
Corporate governance	Any mechanism that can be implemented to achieve transparency, equality between shareholders and a balance of powers between management and shareholders. These mechanisms encompass the methods used to formulate and implement strategy, the operation of the Board of Directors, the organisation framework between different governing bodies and the compensation policy for Directors and executive managers.
Cost/income ratio (1)	The cost/income ratio is calculated by dividing operating expenses by revenues, indicating the proportion of revenues needed to cover operating expenses.
Cost of risk	The cost of risk reflects allocations to and reversals from provisions for credit and counterparty risk (loans, securities, and off-balance sheet commitments), as well as the corresponding losses not covered by provisions.
Cost of risk/ outstandings	The cost of risk/outstandings is calculated by dividing the cost of credit risk (over four quarters on a rolling basis) by outstandings (over an average of the past four quarters, beginning of the period). Can also be calculated by dividing the annualised cost of credit risk for the quarter by outstandings at the beginning of the quarter. Similarly, the cost of risk for the period can be annualised and divided by the average outstandings at the beginning of the period. Since the first quarter of 2019, the outstandings taken into account are the customer outstandings, before allocations to provisions. The calculation method for the indicator is specified each time the indicator is used.
Coverage	Client follow-up.
Covered bond	Collateralised bond: bond for which the redemption and payment of interest are ensured by income from a portfolio of high-quality assets which serves as a guarantee, often a portfolio of mortgage loans. The transferor institution is often manager of the payment of cash flows to the investors (*obligations foncières* in France, *Pfandbriefe in* Germany). This product is usually issued by financial institutions.
CPM	Credit Portfolio Management. The impact of loan portfolio hedges is based on market movements in credit risk hedging and the level of reserves linked to the market movements.

(1) APM-Alternative Perfomance Measures (details on Chapter 4, note 1.7, of this document).

CRBF	*Comité de Réglementation Bancaire et Financière.*
CRD	Capital Requirement Directive: European directive on regulatory capital requirements.
CRD 3	European directive on capital requirements, incorporating the provisions of Basel II and 2.5, notably as regards market risk: improved consideration of default risk and rating migration risk in the trading book (tranched and non-tranched assets) and reduction of the procyclical nature of the value at risk.
CRD 4/CRR (Capital Requirement Regulation)	Directive 2013/36/EU (CRD 4) and (EU) Regulation No 575/2013 (CRR) constitute the corpus of the texts transposing Basel III in Europe. They define European regulations on solvency ratios, major risks, leverage and liquidity and are completed by the technical standards of the European Banking Authority (EBA).
Crédit Agricole Group	This include Crédit Agricole S.A., Regional Banks and Local Banks.
Crédit Agricole S.A.	Listed company of the Credit Agricole Group. Its parent company is “Crédit Agricole S.A. Parent Company”. Its consolidation perimeter includes subsidiaries (including Crédit Agricole CIB), joint ventures and associated companies that it holds directly or indirectly.
Crédit Agricole S.A. Parent Company	Legal entity that acts as central body and head of Crédit Agricole network and that guarantees the financial unity of the Group.
Credit Rating	Measurement of credit quality in the form of an opinion issued by a rating agency (Standard & Poor’s, Moody’s, Fitch Ratings, etc.). The rating may apply to a specific issuer (business, government, public-sector authority) and/or specific issues (bonds, securitised notes, secured bonds, etc.). The credit rating may influence an issuer’s borrowing terms (interest rate it pays, its access to funding) and its market image (see Rating agency).
Credit spread	Actuarial margin (difference between a bond’s yield to maturity and that on a risk-free borrowing with an identical maturity).
CRM	Comprehensive Risk Management: capital charge in addition to the IRC (Incremental Risk Charge) for the correlation portfolio of lending operations taking into account specific price risks (spread, correlation, recovery, etc.). CRM is a value at risk of 99.9% i.e. the highest risk obtained after eliminating 0.1% of the most unfavourable occurrences.
CSR	Corporate social (and environmental) responsibility.
CVA	The Credit Valuation Adjustment is the expectation of a loss linked to counterparty default and aims to take account of the fact that it may not be possible to recover the full market value of the transactions. The method for determining the CVA primarily relies on market parameters in line with the practices of market operators.
CVaR	Credit Value at Risk: maximum loss likely after elimination of 1% of the most unfavourable occurrences, used to set limits for each individual counterparty.

D

Derivatives	A financial instrument or contract whose value changes according to the value of an underlying asset, which may be financial (shares, bonds, foreign currencies,etc.) or non-financial (commodities, agricultural foodstuffs, etc.). This change may entail a multiplier effect (leverage). Derivatives may exist in the form of securities (warrants, certificates, structured EMTNs, etc.) or in the form of contracts (forwards, options, swaps, etc.). Listed derivative contracts are called futures.
DFA	The “Dodd-Frank Wall Street Reform and Consumer Protection Act”, usually referred to as the “Dodd-Frank Act”, is the US financial regulation law adopted in July 2010 in response to the financial crisis. The text is wide-ranging and covers many topics: the creation of a Financial Stability Oversight Council, treatmentof institutions of systemic importance, regulation of high-risk financial activities, limits on derivatives markets, improved monitoring of ratings agency practices, etc. The US regulators (Securities and Exchange Commission, Commodity Futures Trading Commission, etc.) are currently working on precise technical rules on these different areas.
Dilution	A transaction is described as “dilutive” when it reduces the portion of net asset value (e.g. net book value per share) or earnings (e.g. earnings per share) attributable to each share in the company.
Dividend	Portion of net income or reserves paid out to shareholders. The Board of Directors proposes the dividend to be voted on by shareholders at the Annual General Meeting, after the financial statements for the year ended have been approved.
DOJ	US Department of Justice.
Doubtful loan	Loan on which the borrower has fallen behind with the contractually agreed interest payments or capital repayments, or for which there is a reasonable doubt that this could occur.
DVA	The Debit Valuation Adjustment (DVA) is mirror opposite of the CVA and represents expected losses from the counterparty point of view on the liability of the financial instruments. It reflects the credit quality effect of the entity itself on the value of these instruments.

E

EAD	Exposure at Default: exposure of the Group in the event of counterparty default. The EAD includes exposures both on and off the balance sheet. Off-balance sheet exposures are converted into the balance sheet equivalent using internal or regulatory conversion factors (refinancing hypothesis).
EBA	European Banking Authority (EBA). The European Banking Authority was established on 24 November 2010, by a European regulation. In place since 1 January 2011 and based in London, it replaces the Committee of European Banking Supervisors (CEBS). This new authority has wide-ranging powers. It is responsible for harmonising regulations, ensuring coordination between national supervisory authorities and acting as mediator. The objective is to implement supervision at the European level without questioning the powers of national authorities for the day-to-day supervision of credit institutions.
ECB	European Central Bank.
EDTF	Enhanced Disclosure Task Force.
EL	Expected Loss is the likely loss given the quality of the transaction and of all the measures taken to mitigate the risk, such as collateral. It is obtained by multiplying the exposure at default (EAD) by the probability of default (PD) and by the loss given default (LGD).
EMEA	Europe, Middle East and Africa.
ESG	Environmental, Social and Governance.
EURIBOR	Euro Interbank Offered Rate: reference rate of the eurozone.

F

Fair value	Amount for which an asset could be exchanged or for which a liability could be settled between well-informed, consenting parties acting under normal market conditions.
FED	Federal Reserve System/Federal Reserve: Central Bank of the United States.
Finance, Technology (FinTech)	A FinTech is a non-banking company which uses information and communication technologies to deliver financial services.
Fides, Respect, Demeter (FReD)	Initiative to implement, manage and measure the progress made by the Corporate Social Responsibility (CSR) programme. FReD has three pillars with 19 commitments that aim to bolster trust (Fides), grow individuals and the corporate ecosystem (Respect) and protect the environment (Demeter). Every year since 2011, the FReD index has provided a measure of the progress made by the CSR programme being pursued by Crédit Agricole S.A. and its subsidiaries. PricewaterhouseCoopers conducts an annual audit of this index.
FSB	The aim of the Financial Stability Board (FSB) is to identify weaknesses in the global financial system and implement regulatory and supervision principles to ensure financial stability. It consists of governors, finance ministers and supervisory authorities of the G20 countries. Its primary objective is thus to coordinate the work of national financial authorities and international standards bodies at the international level to regulate and supervise financial institutions. Created at the G20 meeting in London in April 2009, the FSB is the successor of the Financial Stability Forum established in 1999 on G7's initiative.

G

GAAP	Generally Accepted Accounting Principles.
Goodwill	Amount by which the acquisition cost of a business exceeds the value of the net assets revalued at the time of acquisition. Every year, goodwill has to be tested for impairment, and any reduction in its value is recognised in the income statement.
Gross exposure	Exposure before taking into account provisions, adjustments and risk reduction techniques.
Gross Operating Income (GOI)	Calculated as revenues less operating expenses (general operating expenses, such as employee expenses and other administrative expenses, depreciation and amortisation).
Green Bonds	Bonds issued by an approved entity (business, local authority or international organisation) to finance an eco-friendly and/or sustainability-driven project or activity. These instruments are often used in connection with the financing of sustainable agriculture, the protection of ecosystems, renewable energy and organic farming.

H

Haircut	Percentage deducted from the market value of securities to reflect their value in a stress environment (counterparty risk or market stress risk). The size of the haircut reflects the perceived risk.
HQE	*Haute Qualité Environnementale*/High Environmental Quality.
High Quality Liquid Assets (HQLA)	Unencumbered high-quality liquid assets (see Asset encumbrance) that can be converted easily and immediately in private markets into cash in the event of a liquidity crisis.

I

IAS	International Accounting Standards.
IASB	International Accounting Standards Board.
ICAAP	Internal Capital Adequacy Assessment Process: process reviewed in Pillar II of the Basel agreement, via which the Group checks whether its capital is sufficient in light of all risks incurred.
IFRS	International Financial Reporting Standards.
Impaired loan	Loan which has been provisioned due to a risk of non-repayment.
Impairment	Accounting of a reduction in the value of an asset.
Impaired (or non-performing) loan coverage ratio	This ratio divides the outstanding provisions by the impaired gross customer outstandings.
Impaired (or non-performing) loan ratio	This ratio divides the gross customer outstandings depreciated on an individual basis, before provisions, by the total gross customer outstandings.
Institutional investors	Businesses, public-sector bodies and insurance companies involved in securities investment, for example, investing in the shares of listed companies. Pension funds and asset management and insurance companies come under this heading.
Investment grade	Long-term rating provided by an external agency and applicable to a counterparty or an underlying issue, ranging from AAA/Aaa to BBB-/Baa3. Instruments with ratings of BB+/Ba1 and below are considered as Non-Investment Grade.
IRB	Internal Rating-Based: approach based on the ratings used to measure credit risk, as defined by European regulations.
IRBA	Internal Rating Based Approach.
IRC	Incremental Risk Charge: capital charge required in consideration of rating change risk and the risk of issuer default over one year for debt instruments in the trading portfolio (bonds and CDS). The IRC is a value at risk of 99.9% i.e. the highest risk obtained after eliminating 0.1% of the most unfavourable occurrences.
ISP	Investment service providers.
Issuer spread	Actuarial margin representing the difference between the actuarial rate of return at which the Group can borrow and that of a risk-free loan of identical duration.

L

LBO	Leveraged Buy out.
LCR	Liquidity Coverage Ratio: this ratio aims to promote the short-term resilience of a bank's liquidity risk profile. The LCR requires banks to hold an inventory of risk-free assets that can be easily traded on the markets, to pay outgoing flows net of incoming flows for thirty crisis days, without support from the central banks.
Leverage ratio	Simple ratio which aims to limit the size of an institution's balance sheet. To do this, the leverage ratio brings together Tier 1 regulatory equity and balance-sheet/off-balance-sheet amounts, after the restatement of some items.
LGD	Loss Given Default: ratio between the loss incurred on an exposure in the event of counterparty default and the amount of the exposure at the time of default.
LIBOR	London Interbank Offered Rate.
Liquidity	For a bank, this means its ability to meet its short-term liabilities. When applied to an asset, this term refers to the possibility of buying or selling it quickly on a market with a limited reduction in value (haircut).

M

Market stress tests	To evaluate market risks, parallel to the internal VaR and SVaR model, the Group calculates a measurement of its risks using market stress tests, to take account of exceptional market disruption, using 26 historical scenarios, and 8 theoretical scenarios.
Mark-to-Market	Method which involves measuring a financial instrument at fair value based on its market price.
Mark-to-Model	Method which involves, in the absence of market prices, measuring a financial instrument at fair value using a financial model based on observable or non-observable data.

Mezzanine	Hybrid financing between equity and debt. In terms of ranking, mezzanine debt is subordinate to senior debt, but remains senior to common shares.
MiFID	Markets in Financial instruments directive.
Monoline	Insurance company participating in a credit enhancement operation, and which provides its guarantee by issuing debt securities (e.g.: securitisation transactions), to improve the rating of the issue.
MSE	Medium-sized Enterprise.
MTP	Medium-term plan.

N

Net Banking Income (NBI) or revenues	Difference between banking income (interest income, fee income, capital gains from market activities and other income from banking operations) and banking expenses (interest paid by the bank on its funding sources, fee expenses, capital losses arising on market activities and other expenses incurred by banking operations).
Net Banking Income underlying (1)	The underlying net banking income represents the stated net income Group share from which specific items have been deducted (i.e. non-recurring or exceptional items).
Net income Group share (NIGS)	Net income/(loss) for the financial year (after corporate income tax). Equal to net income less the share attributable to non-controlling interests in fully consolidated subsidiaries.
Net Income Group share underlying (1)	The underlying net income Group share represents the stated net income Group share from which specific items have been deducted (i.e. non-recurring or exceptional items).
Non-financial rating agency	Organisation specialised in qualitatively and quantitatively assessing corporates according to social and environmental criteria, following specifications related to sustainable development and using a specific form of rating.
NSFR	Net Stable Funding Ratio: this ratio is intended to encourage longer-term resilience by introducing additional incentives for banks to finance their operations from sources with a greater structural stability. This structural ratio for long-term liquidity over a period of one year is designed to give a viable structure to maturing assets and liabilities.

O

OFAC	Office of Foreign Assets Control.
Offsetting agreement	An agreement under which two parties to a financial contract (forward financial instrument), a securities loan or repurchase agreement, agree to offset their mutual loans and receivables pursuant to these contracts; the settlement of these only relates to a net offset balance, particularly in the event of default or termination. An overall offsetting agreement extends this mechanism to different families of transactions, which are governed by different framework agreements by way of a master agreement.
Operating income	Calculated as gross operating income less the cost of risk.
OTC	Over-The-Counter.

P

Pricing	Setting a price.

R

Raison d'Être	The *Raison d'Être* of Crédit Agricole Group was formulated in the Group project and MTP 2022. It engages and irrigates all the Group's activities and businesses. It does not fall within the scope of article 1835 of the Civil Code according to which "the articles of association may specify a *Raison d'Être*, consisting of the principles which the company adopts and for the respect of which it intends to allocate resources in carrying out its activity".
Rating	Evaluation, by a financial ratings agency (Moody's, FitchRatings, Standard & Poor's), of the financial insolvency risk of an issuer (company, government or other state authority) or of a given transaction (bond issue, securitisation, covered bonds). The rating has a direct impact on the cost of raising funds.
Rating agency	Organisation specialises in assessing the solvency of debt security issuers, i.e. their ability to honour their commitments (repay capital and interest within the contractual period).
Ratio Core Tier 1	Ratio between Core Tier 1 capital and risk-weighted assets according to the Basel II rules and their development referred to as Basel 2.5.

(1) APM-Alternative Perfomance Measures (details on Chapter 4, note 1.7, of this document).

Resecuritisation	Securitisation of an exposure which has already been securitised where the risk associated with the underlying exposures has been divided into tranches and for which at least one of the underlying exposures is a securitised exposure.
Resolution	Shortened form of "resolution of crises and bank failures". In practice, two types of plan need to be drawn up for every European bank: 1) a preventative recovery plan prepared by the bank's senior managers, and 2) a preventative resolution plan put in place by the competent supervisory authority. Resolution occurs before bankruptcy of the bank, to plan its ordered dismantling and avoid systemic risk.
Risk Appetite	Level of risk that the Group is willing to assume in pursuit of its strategic objectives. It is determined by type of risk and by business line. It may be stated using either quantitative or qualitative criteria. Establishing the risk appetite is one of the strategic management tools available to the Group's governing bodies.
Risks	The main types of risks specific to Crédit Agricole CIB are listed in the "Risks" section below.
RMBS	Residential Mortgage Backed Securities: debt securities backed by an asset portfolio made up of residential mortgage loans.
RWA	Risk Weighted Assets: Assets and risk commitments (loans, etc.) held by a bank weighted by a prudential factor and based on the risk of loss and used, when added together, as the denominator for major solvency ratios.

S

SEC	US Securities and Exchange Commission (authority which controls the US financial markets).
Securitisation	Transfer of a credit risk (loan debts) to a body which issues, for this purpose, marketable securities subscribed by investors. This transaction may result in a transfer of loans and receivables (physical securitisation) or the transfer of the risks only (credit derivatives). Securitisation transactions can result in a subordination of securities (tranches).
SFEF	*Société de Financement de l'Économie Française* (French Financing Agency).
SFS	Specialised financial services.
SIFIs	Systemically Important Financial Institutions: the Financial Stability Board (FSB) coordinates all measures to reduce the moral hazards and risks of the global financial system posed by systemically important institutions (G-SIFI or Globally Systemically Important Financial Institutions or even GSIB - Global Systemically Important Banks). These institutions meet the criteria set out in the Basel Committee rules outlined in the document named "Global Systemically Important Banks: Assessment methodology and the additional loss absorbency requirement" and are identified in a list published in November 2011. This list is updated by the FSB every November. Institutions classified as GSIB will gradually have to apply increasing limits on the level of their share capital.
SMEs	Small and medium-sized enterprise.
Socially Responsible Investment (SRI)	Systematic and clearly documented incorporation of environmental, social and governance criteria in investment decisions.
***Société d'investissement à capital variable* (SICAV) – open-ended investment company**	A type of UCITS which enables investors to invest in a portfolio of financial assets without holding them directly and to diversify their investments. It manages a portfolio of stocks or other assets and may specialise in a specific market, an asset class, an investment profile, or a specific sector. From a tax perspective, a SICAV unit is like a share.
Solvency	Measures the ability of a business or an individual to repay its debt over the medium to long term. For a bank, solvency reflects its ability to cope with the losses that its risk profile is likely to trigger. Solvency analysis is not the same as liquidity analysis. The liquidity of a business is its ability to honour its payments in the normal course of its business, to find new funding sources and to achieve a balance at all times between its incomings and outgoings. For banks, solvency is governed by the CRD 4 Directive and CRR Regulation.
Spread	Actuarial margin (difference between the actuarial rate of return of a bond and that of a risk-free loan of identical duration).
SREP	Supervisory Review and Evaluation Process
Stress tests	Exercise to study the ramifications on banks' balance sheets, profit and loss and solvency in order to measure their ability to withstand these kinds of situations.
Structured issue or structured product	Financial instrument combining a debt product and an instrument (such as an option) enabling exposure on all kinds of asset (shares, foreign currencies, rates, commodities). Instruments may include total or partial guarantee, of the capital invested. The term "structured product" or "structured issue" also refers to securities resulting from securitisation transactions, for which a ranking of bearers is organised.
Subordinated notes	Issues made by a company, the returns on and/or redemption of which are contingent upon an event (conditional upon payment of a dividend or achievement of an outcome).

SVaR	Stressed Value at Risk: identical to the VaR, the calculation method entails a "historical simulation" with "1-day" shocks and a 99% confidence interval. Unlike the VaR, which uses the 260 daily change scenarios over a rolling one-year period, Stressed VaR uses a historical one-year window corresponding to a period of significant financial stress.
Swap	Agreement between two counterparties to exchange one's assets or income from an asset for those of the other party's up to a given date.
Systemically important bank	Crédit Agricole Group, but not Crédit Agricole S.A., appears on the list of the 30 global systemically important banks (G-SIBs) published by the Financial Stability Board (FSB) in November 2012 and updated in November 2021. A systemically important bank has to put in place a basic capital buffer of between 1% and 3.5% in relation to Basel 3 requirements.

T

Tier 1 Equity	Made up of Common Equity Tier 1 capital and Additional Tier 1 capital. The latter correspond to perpetual debt instruments without any redemption incentives, less regulatory deductions.
Tier 1 ratio	Ratio between Tier 1 capital and risk-weighted assets.
Tier 2 Equity	Additional capital mainly comprising subordinated securities less regulatory deductions.
Total capital ratio or solvency ratio	Ratio between total capital (Tier 1 and Tier 2) and risk-weighted assets.
Total Loss Absorbing Capacity (TLAC)	Designed at the G20's request by the Financial Stability Board. It aims to provide an indication of the loss-absorbing capacity and of the ability to raise additional capital of the systemically important banks (G-SIBs).
Treasury shares	Portion owned by a company in its own share capital. Treasury shares have no voting rights attached and are not used to calculate profit per share.
TSDI *(Titres subordonnés à durée indéteminée* - Undated subordinated notes)	Undated subordinated notes have no specified maturity date, with redemption being at the behest of the issuer beyond a certain date.
TSS *(Titres super-subordonnés* - Deeply subordinated notes)	Undated subordinated issue giving rise to perpetual returns. Their perpetual maturity arises from the fact that they do not have a contractual redemption date, with redemption taking place at the option of the issuer. Should the issuer be liquidated, these notes are redeemed after all the other creditors have been repaid.

U

Undertakings for collective investment in transferable securities (UCITS)	An UCITS is a portfolio of negotiable securities (equities, bonds, etc.) managed by professionals (management companies) and held collectively by retail or institutional investors. There are two types of UCITS – SICAVs (open-ended investment companies) and FCPs (mutual investment funds).

V

VaR	Value at Risk: Synthetic indicator used to track on a day-to-day basis the market risks taken by the Group, particularly in its trading activities (VaR is calculated using a 99% on 10 days-confidence interval, over one day, in line with the regulatory internal model). Reflects the largest exposure obtained after eliminating 1% of the most unfavourable occurrences over a 1-year history.
Volatility	Volatility measures the scope of the fluctuations of the price of an asset and thus its risk. It corresponds to the standard deviation of the instantaneous profitability of the asset over a certain period.
VSB	Very small businesses.

1.1. RISKS

Credit Risk

- **Corporate & financial institutions risk:** Risk arising in the event of default by a counterparty or counterparties considered to be a single group of related clients in the major client scope, excluding the risk of sector and individual concentration and issuer risk.
- **Sector and individual concentration risk:** Risk arising from exposure to counterparties considered to be a single group of related clients, to counterparties operating in the same economic sector or in the same geographical region, or from the granting of loans relating to the same activity, or from the application of credit risk mitigation techniques, including collateral issued by the same issuer.
- **Country and sovereign risk:** Credit risk associated with exposures to countries and sovereigns, including the risk of concentrated exposures in credit and investment portfolios.
  - Country risk is the risk that the deterioration in the environment or the economic, financial, political or social situation of a country may affect the Bank's activities and the quality of our counterparties in that country;
  - Sovereign risk measures the losses incurred by CACIB under its commitments to sovereign counterparties in the event of their default or due to them being unable to meet their contractual obligations.
- **Counterparty risk on market transactions:** Risk arising in the event of the default or the deterioration in the credit quality of a counterparty or counterparties considered to be a single group of related clients under financial contracts (within the meaning of Article L 211.1 of the French Monetary and Financial Code) entered into with those counterparties.
- **Securitisation risk:** Credit risk arising from securitisation transactions in which CACIB acts as an investor, originator or sponsor, including reputational risks such as those arising in conjunction with complex structures or products

Financial risks

- **Global interest rate risk:** Risk of future loss on the net interest margin following interest rate stress. This risk reflects the potential impact of interest rate movements on the interest rate margin, net banking income and equity capital.
- **Liquidity risk: Liquidity** Risk covers:
  - liquidity price risk: the risk of additional financial costs caused by a change in refinancing spreads.
  - liquidity availability risk: risk of the funds required in order to meet commitments not being available.
- **Risk of change in the value of the securities portfolio or Issuer risk:** Risk of a fall in the value of securities held in the banking book (excluding equity investments) and recognised at fair value, where those securities were acquired to generate a return and/or to manage liquidity reserves.
- **Market risk:** Risk of loss of value of financial instruments arising from changes to market parameters, the volatility of these parameters and the correlations between these parameters. These parameters include exchange rates, interest rates, the prices of securities (shares, bonds) and commodities, derivative products and all other assets, such as property assets.
- **Foreign exchange risk (banking book):** Risk arising from structural foreign exchange positions (equity investments), as operational foreign exchange risk is systematically hedged.
- **Transformation risk:** This risk exists when assets are financed using resources with differing maturities. As a result of their traditional business of transforming resources with short maturities into longer term uses, banks are naturally affected by transformation risk, which itself entails liquidity risk and interest rate risk. Transformation is when assets have a longer maturity than liabilities and anti-transformation is when assets are financed by resources with a longer maturity.

Operational risks

- **Non-compliance risk:** Risk of judicial, administrative or disciplinary sanctions, significant financial losses or reputational damage, arising from non-compliance with laws, regulations or professional or ethical rules on banking and financial activities, or instructions from the executive body, in particular pursuant to the guidelines of the supervisory body. This sub-category of risk also includes the risk of internal and external fraud and the risk of misconduct.
- **Legal risk**: Risk of a dispute with a counterparty resulting from any inaccuracy, deficiency or insufficiency that may be attributable to the supervised entity in relation to its transactions. It therefore covers: legislative risk, i.e., breaches of the laws or regulations that govern the exercise of the Bank's activities in any jurisdiction in which it operates and that determine the legality and validity of its actions and their enforceability by third parties; contractual risk, i.e., the risk that, as a result of inaccuracy, deficiency or insufficiency, contractual documentation is not suitable for the transactions carried out, with the result that it does not fully and clearly reflect intentions.
- **Other operational risks (including accounting risk):** In addition to the sub-category of risks referred to above: the risk of losses resulting from inadequate or defective processes, staff and internal systems or external events; operational risks include risks associated with unlikely but high-impact events, as well as security risks to information systems and physical risks

Other Risks

- **Business risks**: Risk covering two specific risks:
  - strategic risk: the risk linked to losses or falls in revenue or profits due to decisions over strategic choices and/or our competitive positioning;
  - systemic risk: global risk related to the macroeconomic, political and regulatory environment (in particular, the prudential and tax environment).
- **Climate risk:** Risk covering:
  - physical risks resulting from damage directly caused by meteorological and climatic events (acute risks, as for instance natural disasters, and chronic risks, associated with longer-term changes in climate patterns).
  - energy transition risks resulting from the effects of the implementation of a low-carbon business model (regulatory and legal, technological, market and reputational risks).

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