2020 UNIVERSAL REGISTRATION DOCUMENT

CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

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2020 UNIVERSAL REGISTRATION DOCUMENT

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The Universal Registration Document has been filed on 24th March 2021 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 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 of the universal registration document of the Company issued in French and it is available on the website of the Issuer.

52 million
customers

1st
retail bank
in the European Union

Based on number of retail banking customers

10,000
branches including
8,200
in France
Regional Banks and LCL

48
countries

10th
Largest bank
in the world

Based on balance sheet. Source: The Banker, July 2020

1st
Asset Manager
in Europe

Source: IPE "Top 500 Asset Managers" published in June 2020 based on assets under management as at 31/12/2019

1st
Provider of
financing to the
French economy

Internal source: Office of Economic Research

1st
Insurer
in France

Source: Argus de l'assurance, December 2020, ranking based on 2019 revenues

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.

FLOAT

30.9%
INSTITUTIONAL INVESTORS

8.0%
INDIVIDUAL SHAREHOLDERS

5.8%
EMPLOYEE SHARE OWNERSHIP PLANS (ESOP)

N-S[2]
TREASURY SHARES

HOLDING **44.7%**

REGIONAL BANKS

10.9 Million
MUTUAL SHAREHOLDERS
who hold mutual shares in

2,410
LOCAL BANKS

39
REGIONAL BANKS
jointly holding the majority of CRÉDIT AGRICOLE S.A.'s share capital through SAS Rue La Boétie[1]

100%

≃ 25%

Political link

Sacam Mutualisation

Fédération Nationale du Crédit Agricole (FNCA)

HOLDING **55.3%**

CRÉDIT AGRICOLE S.A.

ASSET GATHERING

Indosuez Wealth Management
Crédit Agricole Assurances
Amundi

RETAIL BANKING

Crédit Agricole Pologne, Ukraine, Egypte, Serbie
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 SUBSIDIARIES

Crédit Agricole Group Infrastructure Platform
Crédit Agricole Capital Investissement & Finance
Crédit Agricole Payment Services
Crédit Agricole Immobilier
Uni-médias

(1) The Regional Bank of Corsica, 99.9% owned by Crédit Agricole S.A., is a shareholder of Sacam Mutualisation.
(2) Non-significant.

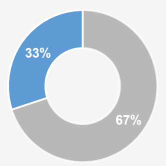
OUR BUSINESS MODEL:

OUR STRATEGIC CHOICES

A CORPORATE AND INVESTMENT BANK...

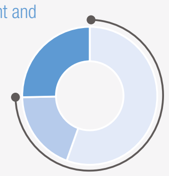
GENERATING MORE REVENUES from corporates than financial institutions,…

Distribution of 2020 commercial revenues by client segment

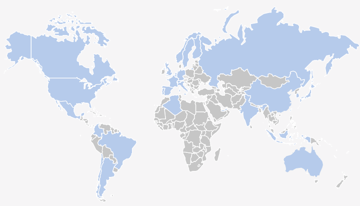


…with more FINANCING ACTIVITIES than pure Capital Markets ones…

Distribution of 2020 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

€128 bn assets under management in wealth management

OUR RESOURCES

AN AFFILIATION WITH A STRONG BANKING GROUP

17.2% for the Group's CET1

22.6 Md€ 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

11,678 including 3,074 in private banking

44% women

57% international

SATISFACTORY LONG-TERM RATINGS

S&P	Moody's	Fitch
A+	**Aa3**	**AA-**
Negative, 21/10/2020	Stable, 19/09/2019	Negative, 10/11/2020

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.

C

Facilitating our customers' business

OUR ACHIEVEMENTS WITH OUR STAKEHOLDERS

CLIENTS

3,728 Clients
(in Corporate and Investment Banking)

2,124 Corporate clients

1,604 Financial institution clients

€227bn in real-asset financing

EMPLOYEES

COMMITMENT AND RESPONSIBILITY
(in Corporate and Investment Banking)

88% of employees are proud to work for Crédit Agricole CIB

85% recommend Crédit Agricole CIB as a good employer

76% feel that they have a good work/life balance

33,137
HOURS OF TRAININGS IN FRANCE IN 2020

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)

269 work/study contracts

109 VIE

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 Award - CFM Indosuez Wealth Management in Monaco** (Global Finance)

CRÉDIT AGRICOLE GROUP

SOLID FINANCIAL RESULTS…

NBI **€5,934m**

Net income group share **€1,341m**

Contribution to CASA net income group share (33%)
€1,267m

…AND A MODERATE RISK PROFILE

Average VaR of
€9m

STRONG GROUP SYNERGIES

CIVIL SOCIETY

MUTUAL ENRICHMENT WITH THE VILLAGE BY CA START-UPS

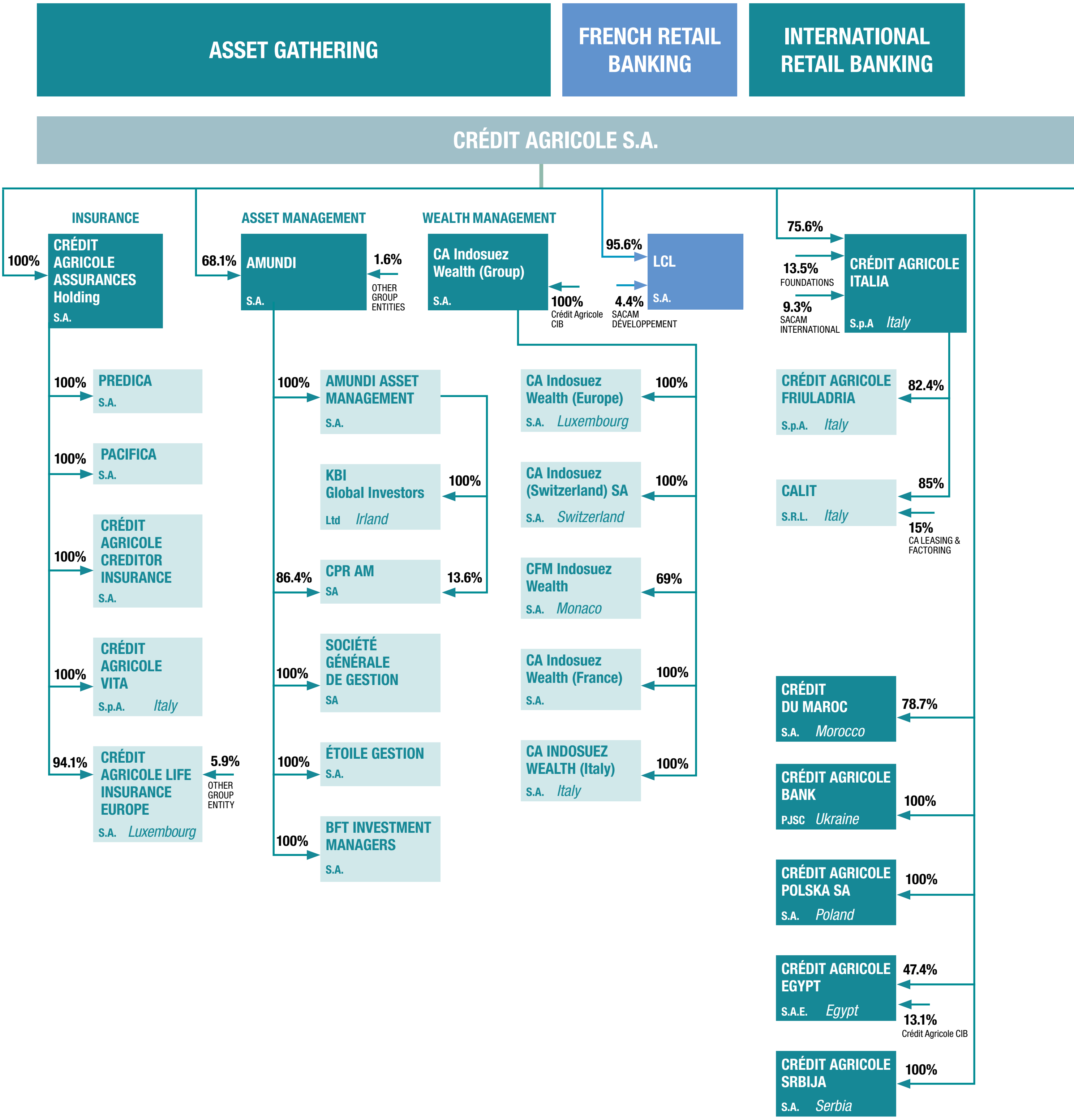
2ND BOOKRUNNER ON GREEN, SOCIAL AND SUSTAINABLE OBLIGATIONS

100 % OF CORPORATE CLIENTS GIVEN A CSR SCORE

AN INNOVATIVE APPROACH IN SERVICE TO OUR CUSTOMERS:
strengthening the customer's relationship and its relevance

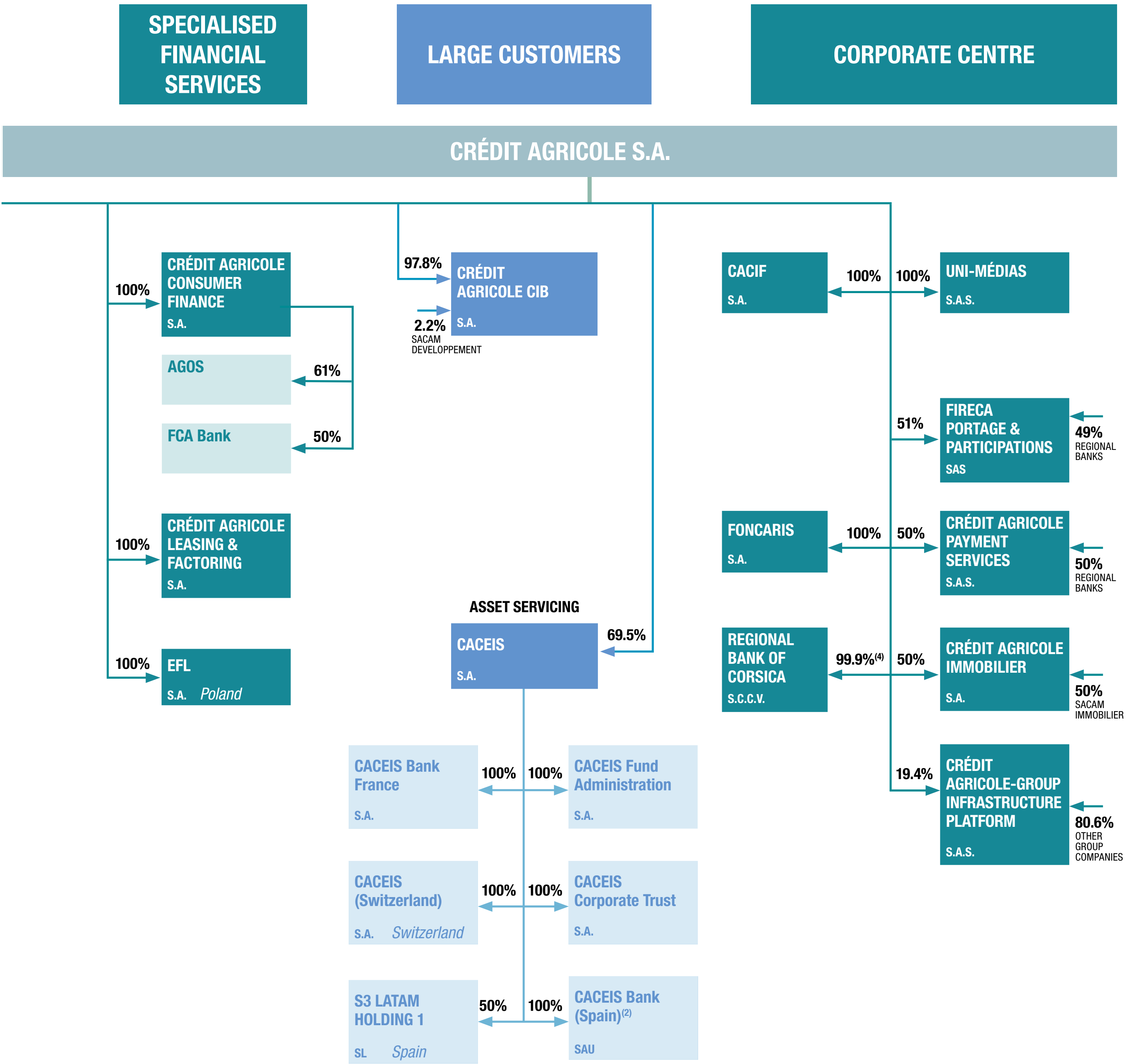
CRÉDIT AGRICOLE S.A.

% OF INTEREST[(1)]



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

AS AT 31 DECEMBER 2020



(2) % of control.

Financial transactions between Crédit Agricole S.A. and its subsidiaries are subject to regulated agreements, as the case may be, mentioned in the statutory auditor's special 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 mechanisms", in introduction of the consolidated financial statements.

C

MESSAGE
from the Chairman and the Chief Executive Officer

In spite of this difficult environment, the annual results of Group Crédit Agricole S.A. are solid, proving the relevance of our diversified model of proximity banking applied to all our business lines

2020 was marked by an unprecedented crisis, and this is an understatement. The Covid-19 pandemic which impacted us all deeply, both professionally and personally, is still there and our projections show that it will continue to impact us at the very least in 2021 from a health, social and economic perspective.

In spite of this difficult environment, the annual results of Group Crédit Agricole S.A. are solid, proving the relevance of our diversified model of proximity banking applied to all our business lines. Throughout the year 2020, our 142 000 employees worldwide were constantly mobilized to fulfill our mission which is "to act every day in the interests of our clients and society" and to support them with solutions that meet their needs. Crédit Agricole CIB of course actively contributed to sustain the economy, in France but also in the world, by structuring many significant transactions to support Crédit Agricole Group clients in their financing and liquidity needs.

This crisis consolidated the goals of our 2022 Medium-Term Plan, in particular concerning the fight against global warming. To reach our goals in this area, Crédit Agricole CIB's globally acknowledged expertise will be essential to accompany our clients in their climate transition. With all the resources of our Group and the strength of our team spirit, we act every day for a less carbonated and fairer economy in the interests of all our clients.

PHILIPPE BRASSAC

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

In a context impacted by the health crisis, Crédit Agricole CIB's performance in 2020 is remarkable, with revenues and business volumes up compared to 2019. Crédit Agricole CIB is #1 in France for bond issues and #3 in Europe for bonds in euros. The Bank is also #1 in France and #3 in the EMEA zone for credit syndications. With expenses under control, our gross operating margin excluding SRF is up by 15% compared with the previous fiscal year. Financial results are lower however because of a significant increase in the cost of risk, mainly linked to precautionary provisions.

From the start of the pandemic we adapted our organization to ensure a close and daily monitoring of our clients' needs

From the start of the pandemic we adapted our organization to ensure a close and daily monitoring of our clients' needs. We remained at their side to provide tailor-made solutions for their treasury and financing needs, or for their capital transactions. Many significant transactions were thus completed, such as for instance the first state guaranteed loan to FNAC Darty, and capital transactions with large corporate groups like Amadeus, ArcelorMittal and Safran. We also supported financial institutions worldwide with their social bond issues linked to the pandemic, such as UNEDIC and the European Union.

These transactions demonstrate our clients' trust as well as our teams' expertise, their capacity to adapt, their agility and their constant commitment. Nobody can predict today when this crisis will end, but our teams remain committed to their clients and are already working to prepare for the future

JACQUES RIPOLL

Crédit Agricole CIB Chief Executive Officer

1

PRESENTATION OF CRÉDIT AGRICOLE CIB

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Income statement highlights Summary

€ million	31.12.2020		31.12.2019		31.12.2018	
	Crédit Agricole CIB	Underlying CIB [1]	Crédit Agricole CIB	Underlying CIB [1]	Crédit Agricole CIB	Underlying CIB [1]
Net banking income	**5,934**	**5,076**	5,459	4,699	5,276	4,409
Gross operating income	**2,435**	**2,265**	2,037	2,009	1,955	1,799
Net income Group Share	**1,341**	**1,224**	1,553	1,498	1,479	1,372

[1] *Restated for loan hedges and impact of DVA and issuer spread portion of FVA in NBI and tax in 2020, 2019 and 2018*

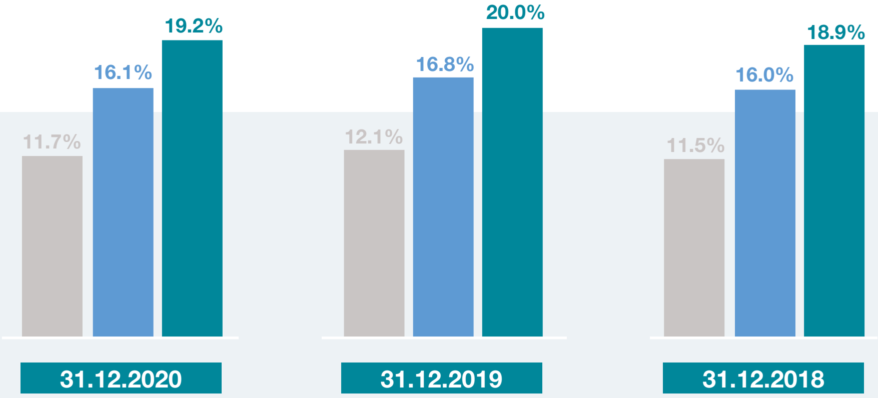
Balance sheet

€ billion	31.12.2020	31.12.2019	31.12.2018
Total assets	**593.9**	552.7	511.7
Gross loans to customers	**144.7**	146.1	136.6
Assets under management (in Wealth Management)	**128**	132.2	122.8

Financial structure

€ billion	31.12.2020	31.12.2019	31.12.2018
Shareholder's equity (including income)	**22.6**	22	20.3
Tier one capital	**20**	20.2	19
Basel III risk-weighted assets	**124.1**	120.5	118.7

Solvency ratio



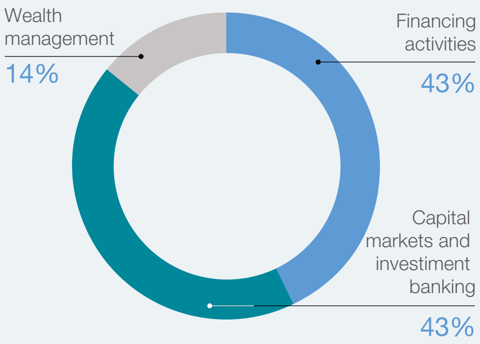
- Core Equity Tier one ratio
- Tier one solvency ratio
- Overall solvency ratio

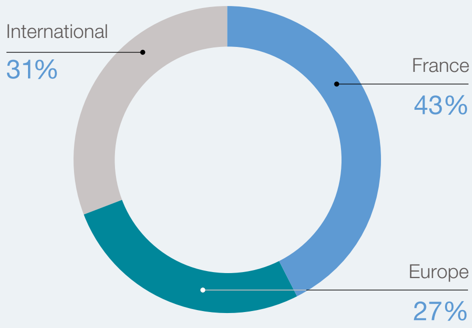
Ratings

	Short-term	Long-term	Last rating action
Moody's	Prime-1	Aa3 [stable outlook]	19 september 2019
Standard & Poor's	A-1	A+ [negative outlook]	21 october 2020
Fitch Ratings	F1+	AA- [negative outlook]	10 november 2020

Breakdown of net banking income

31.12.2020





Breakdown of revenues by business lines [1]

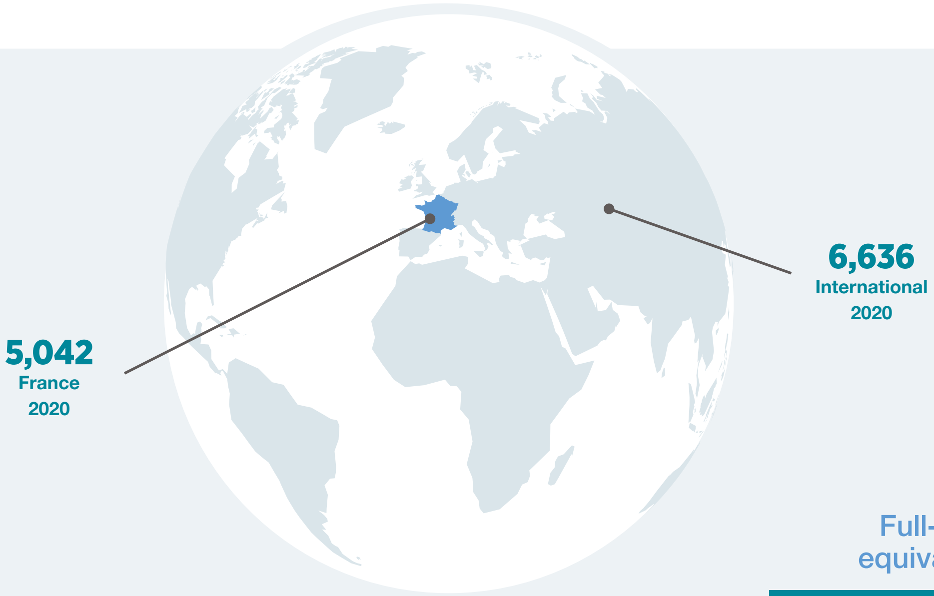
	31.12.2019	31.12.2018
Financing activities	46%	48%
Capital markets and investment banking	39%	37%
Wealth management	15%	16%

By Geographical Area

	31.12.2019	31.12.2018
France	39%	40%
Europe	28%	28%
International	34%	32%

[1] *Restated for loan hedges and impact of DVA running and issuer spread portion of FVA in NBI and tax in 2020, 2019 and 2018.*

Headcount at end of period



Full-time equivalent

Total at 31.12.2020 [1]
11,678

	2019 [1]	2018 [1]
France	4,938	4,989
International	6,586	6,555
Total	**11,524**	**11,544**

[1] *Wealth Management contributes to 3,074 in 2020, 3,169 in 2019 and 3,219 in 2018.*

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. 2020 HIGHLIGHTS

The year 2020 was marked by the economic crisis, triggered by the outbreak of the Covid-19 pandemic, which affected almost all the countries of the world. In this context of unprecedented economic crisis, a response in terms of economic policies was expected in order to mitigate the negative consequences of the recession. To this end, the major central banks have pursued particularly accommodative monetary policies and have returned to quantitative easing policies. As of March, the European Central Bank (ECB) has put in place a massive plan to buy securities, which includes injecting liquidity into the financial system in order to relax credit conditions for businesses and governments. In addition, Brexit finalized in 2020.

In France, growth declined in the fourth quarter (-1.3%), marked by the second lockdown; in 2020, it fell by 8.3%.

On the financial markets side, 2020 was also odd, marked by high volatility and a very severe fall in March. Two periods of sharp growth followed, between the end of March and June and the end of 2020, notably as a result of the ECB's accommodative monetary policy.

In this context, the bank posted an 8% [1] increase in revenues between 2019 and 2020. Revenue growth was driven by the outperformance of market activities (up 16% compared to 2019) without a change in risk profile, while the financing bank's revenues increased slightly (up 1%) still maintaining leading positions by gaining market share and remaining in 1st place on syndication activities in France [2], and 3rd place in the EMEA area [3]. In market and investment banking, Crédit Agricole CIB is ranked 2nd in the world in the Global Green and Sustainability bonds [4] ranking (up 0.6% market share compared to 2019).

This year demonstrated the relevance of Crédit Agricole CIB's business model, taking advantage of the complementarity and cooperation between the Financing and Markets businesses, serving our customers and society as a whole, our continued focus. Thus, at the end of December 2020, we are reaching our PMT's revenue and Gross Operating Income targets two years in advance. The operating ratio, excluding FRU, remains at a very low level (51.9%), below the level of the PMT (<55%). However, the concern for 2020 was the cost of risk amplified by the crisis, which has increased by just over 5 times compared to 2019. Human and Societal projects are also at the centre in this new post-Covid context through employee support programmes, continued leadership in our green and sustainable financing offering and significant societal commitments.

(1) Underlying BFI
(2) Source : Refinitiv
(3) Source : Refinitiv R17
(4) Source : Bloomberg

3. CRÉDIT AGRICOLE CIB'S BUSINESS LINES

3.1. FINANCING ACTIVITIES

Structured finance

- Aircraft and rail financing
- Shipping financing
- Real estate and hotels
- Project finance & LBO
- Telecom...

Commercial Banking

- Cash management
- Transactional commodity finance
- Syndicated loans
- International trade financing

3.2. CAPITAL MARKETS AND INVESTMENT BANKING

Global Markets division

- Credit
- Interest rate derivates
- Structuring and product development
- Foreign exchange

Treasury division

- Short term liquidity management
- Bank short term refinancing

Investment Banking

- Advisory activities related to stocks and securities issuance
- Structuring and selling transactions involving equity derivatives
- Activities dedicated to mergers and acquisitions
- Tailored-made financing transaction

3.3. WEALTH MANAGEMENT

3.1. FINANCING ACTIVITIES

The Financing activities combine Structured Finance and Commercial Banking. The underlying net banking income [(1)] was €2,546 million for 2020 which represents 50.2% of CIB underlying net banking income [(1)].

Structured finance

At 31 December 2020, the Structured Finance business line's underlying net banking income [(1)] was €1,167 million for the year as a whole, which represents 45.9% of the underlying net banking income [(1)] of Financing activities.

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

The Structured Financing business is historically a strong point of Crédit Agricole CIB with global top 5 rankings in certain products.

SFI strives to maintain excellence in the quality of services delivered and to optimise consumption of RWA and liquidity whilst improving the rotation of assets and diversifying distribution channels.

ASSET FINANCE GROUP

Aircraft and rail financing

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

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

Shipping financing

Crédit Agricole CIB has been financing ships for French and foreign ship-owners for thirty years and acquired solid expertise and a worldwide reputation. This business line supports a modern and diversified fleet of over 1,100 ships to an international clientele of ship-owners.

Real estate and hotels

Crédit Agricole CIB's real estate and hotels department operates in 10 countries. Crédit Agricole CIB provides advice to real estate professionals and to companies and institutional investors that want to optimise the value of their properties.

ENERGY & INFRASTRUCTURE GROUP

Natural resources, infrastructure and power

Crédit Agricole CIB provides financial advice and arranges nonrecourse credit for new projects or privatisations. The banking and bond financing that Crédit Agricole CIB arranges involves commercial banks as well as export credit agencies and/or multilateral organisations.

The project finance business operates in natural resources (oil, gas, petrochemicals, mines and metal bashing), electricity generation and distribution, environmental services (water, waste processing) and infrastructure (transport, hospitals, prisons, schools and public services).

The business operates worldwide, in a dozen of regional excellence centres.

JV LEVERAGE

In 2019 the Acquisition finance, Telecoms and DCM/High Yield teams were combined to better serve the private equity fund and Corporate clientele, basing their development on an important driver. In collaboration with investment banking, they offer services for all stages of their development: raising capital, bank debt and bond debt, acquisition of target companies, buying and selling consulting, IPOs, interest rate products. Crédit Agricole CIB has been advising and financing Telecom, Media & Technology companies and private equity funds for over thirty years.

Commercial Banking

At 31 December 2020, the Commercial Banking business line's underlying net banking income [(1)] was €1,379 million for the year as a whole, which represents 54.1% of the underlying net banking income [(1)] Financing activities.

INTERNATIONAL TRADE & TRANSACTION BANKING (ITB)

Crédit Agricole CIB offers its clients, importers or exporters, financing and securing solutions for their international trade operations. The Export & Trade Finance business is based on a commercial network of specialists spread across nearly 30 countries.

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

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

The Bank also provides transactional commodity finance which offers funding solutions and secure payments related to short-term flows of commodities and semi-finished products. Our clients are major international producers and traders operating in the commodity markets, particularly energy (oil, derivatives, gas and biofuel), metals, soft and certain agricultural commodities.

(1) Restated for loan hedges and DVA and issuer spread portion of FVA impacts, +€11 million and +€11 million, respectively.

GENERAL COVERAGE: CIB

In 2019 the Corporate Coverage, Specialist SFI Coverage and FI Coverage divisions were merged within the CIB hub.

The CIB hub provides coverage of large companies in France and abroad, and more specifically in France, coverage of midcap companies.

In terms of Islamic finance, Crédit Agricole CIB provides easy access to Sharia compliant solutions in many areas with a dedicated team in the Gulf.

A dedicated green banking team helps the bond issuing and financing business to structure transactions in compliance with CSR commitments. Crédit Agricole CIB is a global leader in the green bonds market.

DEBT OPTIMISATION & DISTRIBUTION (DOD)

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

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

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 initiatives in terms of distribution: new asset class, new distribution channels including the partnership with CA Group Regional Banks.

3.2. CAPITAL MARKETS AND INVESTMENT BANKING

This business includes capital markets, as well as investment banking and the underlying net banking income (1) was €2,530 million for 2020, which represents 49.8% of CIB underlying net banking income (1).

Global Markets Division

At 31 December 2020, the Global Markets Division business line's underlying net banking income (1) was €1,983 million for the year as a whole, which represents 78.4% of Capital Markets and Investment Banking's underlying net banking income (1).

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

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

Global Markets Division (GMD) is organised around:

- Financing & Funding Solutions which encompasses Securitisation Vehicles and Global Credit (comprising the Debt Capital Market (DCM) origination, syndication, trading credit and credit sales teams)
- Hedging & Investment Solutions which encompasses sales to financial institutions, Trading activities in two areas (Macro and Non-Linear) covering a variety of underlying products (foreign exchange, interest rates and Non-Linear), structuring activities and a dedicated Research team.

And three cross-functional support roles:

- global Chief Operating Officer (COO) who monitors various elements across all functions (financial indicators, IT projects and processes, operational risk and implementation of the business line strategy);
- the cross-functional unit which manages rare resources, Onboarding, Transaction Management, Clearing and the regulatory watch;
- the Transformation unit which supports the business line with its upgrades and technological challenges.

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

Treasury Division

At 31 December 2020, the Treasury business line's underlying net banking income (1) was €240 million for the year as a whole, which represents 9.5% of the underlying net banking income (1) of Capital Markets and Investment Banking.

The Treasury business line hierarchically reports to the Finance and Procurement Chief Officer via Execution Management and functionally depending on the site, either at the SCO, the CFO, or the local division managers.

In 2018 the Crédit Agricole CIB and Crédit Agricole S.A. Treasury businesses joined forces to form a pooled team. The Treasury business now manages the liquidity risk of the Group whilst respecting the regulatory constraints in which the two legal entities operate.

The Treasury business ensures the sound and prudent daily management of the Bank's short-term liquidity, in accordance with the methods decided in the Asset & Liability Management Committees, in accordance with internal and external constraints (short term liquidity ratios, regulatory ratios, reserves).

The organisation of the Treasury business around 5 liquidity centres worldwide (Paris, London, New York, Hong Kong and Tokyo), 17 local Treasury departments and a central hub for private banking enables the short-term financing requirements of the Bank and of the recycling of liquidity surpluses to be continually optimised, in particular by central bank replacement.

This geographical location enables access to wide-ranging and diversified short-term financing, complementing the long-term refinancing provided by ALM.

The Treasury business also manages a portfolio of high-quality liquid assets (HQLA).

(1) Restated for loan hedges and DVA and issuer spread portion of FVA impacts, +€11 million and +€11 million respectively.

The Treasury business is responsible for the Bank's short-term issuance programmes (New CP/CD/ECP, etc.) and also for the process for contributing to the Euribor, Libor and CNHbor.

Investment Banking

At 31 December 2020, the Investment banking business line's underlying net banking income (1) was €307 million for the year as a whole, which represents 12.1% of the underlying net banking income (1) of Capital Markets and Investment Banking. Investment banking business involves "all equity and long-term" financing activities for corporate clients of Crédit Agricole CIB and has three main segments:

PRIMARY EQUITY CAPITAL MARKETS

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

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

GLOBAL CORPORATE FINANCE

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

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

STRUCTURED AND FINANCIAL SOLUTIONS (SFS)

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

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

3.3. WEALTH MANAGEMENT

The Wealth Management, under the worldwide trademark of Indosuez Wealth Management since January 2016, offers a tailored approach allowing each individual customer to manage, protect and transfer their assets in a manner which best fits their aspirations. With a subtle combination of excellence, experience and expertise, and a global vision, our teams offer them simple and sustainable solutions adapted to each situation.

Since 2012, Wealth Management has been part of an entirely globalised and cross-functional organisation. This enables the best combination of the teams' know-how, and use of their synergies together in order to improve proximity to, and the experience of, an increasingly international clientele.

Constantly striving to offer its clients an excellent, more effective service which is in keeping with its values, Indosuez Wealth Management pursues its digital transformation with the creation of a global digital Innovation and Transformation subsidiary which will help it digitalise its offerings and processes and improve the Client journey.

In response to customer expectations, Indosuez Wealth Management is expanding its value proposition and offering a more sustainable development and a more responsible economy together with other Group entities.

In France, the partnership which links Indosuez France and the regional banks (Caisses) is based on complementary approaches, and is a distinct advantage when it comes to satisfying the evolving expectations of wealthy clients of the Crédit Agricole Group.

(1) Restated for loan hedges and DVA and issuer spread portion of FVA impacts, +€11 million and +€11 million respectively.

2

ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

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ENERGY TRANSITION

85%
OF RENEWABLE ENERGY
in the financing of electricity generation in terms of number of projects in 2020

11.14
BILLION EUROS
of green loans as at 31.12.2020

2

HUMAN RESOURCES

44.1 %
OF WOMEN
among the worldwide employees of Crédit Agricole CIB

76%
OF EMPLOYEES
consider having a good work/life balance.

COMPLIANCE

The compliance training System consists of

24
E-LEARNING TRAININGS
10 general trainings and 14 dedicated trainings

8
NEW MODULES
deployed in 2020

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 2020.

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 People Project and a Societal Project.

The Crédit Agricole CIB 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

Built and structured within a Business Line CSR Committee, the CSR strategy of Indosuez Wealth Management, a wholly-owned subsidiary of Crédit Agricole CIB, is based on three main pillars: People, Clients/Products and Societal. Each is steered by a manager who works in close collaboration with the local CSR Managers. The initiatives in place are reviewed and discussed at Business Line CSR Committee meetings, held every six months.

In line with the intention expressed by Crédit Agricole S.A. and the Group's commitment to the principles of the United Nations Global Compact, the Private Banking division is working to embed sustainable development values at the heart of its business lines by way of a pragmatic approach which builds on the specific achievements made to date.

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 Responsibility division, which reports to Risks and Permanent Control since 1 September 2020, 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. More specifically, 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 four times in 2020 to discuss issues such as the review of transactions signed-off during the year, the approval of ratings according to the Equator Principles and the monitoring of sensitive transactions.

In 2020, the CERES Committee specifically reviewed 71 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 twenty-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. Whenever necessary, they call on the Corporate Social and Environmental Responsibility team, 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 our decision to make employees a central part of 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 pandemic has led to a change in awareness and training formats, notably with increased use of videoconferencing tools.

◆ SIGNIFICANT EVENTS IN 2020

The network of Sustainable Banking coordinators

In April 2020, Crédit Agricole CIB launched its network of Sustainable Banking coordinators, which brings together more than 90 employees involved in green and sustainable finance worldwide.

The aim of the network is to promote the emergence of a “sustainable finance culture” that is common to the Bank as a whole and to mobilise employees on this subject, in order to increase the Bank’s commercial impact, expand the offering and increase innovation around sustainable finance products.

These coordinators, from the business lines and support functions (Risk, Legal, Communication), are a key point of contact within their teams, in order to promote sustainable finance and share information about it, in collaboration with the Sustainable Banking team. They can spend at least 10% of their time (and up to 100%) on sustainable finance and are supported in the implementation of their projects by a representative within the Sustainable Banking team.

The network offers its coordinators access to common tools and databases, as well as bi-monthly training sessions (13 sessions in 2020) led by internal or external speakers. The first annual seminar of the Sustainable Banking network brought together 78 employees in September 2020 for training on climate science, the market, products and case studies.

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. For each participating entity, the process intended to strengthen CSR within the Group – and which was redefined in 2020 to align with Medium-Term Plan CSR objectives – consists in 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. Thus, the average annual growth target is now 1.3 on a progress scale comprising 4 levels (versus 1.5 previously).

In 2020, the average level of progress recorded by the 6 action plans of Crédit Agricole CIB was 1.7, comparable to the level reached in 2017, 2018 and 2019, despite the amendment made to the FReD approach.

In 2020, the average level of progress recorded by the action plans of the Indosuez Wealth Management Group was 1.3.

Relationships with stakeholders

Crédit Agricole CIB believes that listening to its stakeholders is the way forward. It held several meetings with NGOs in 2020.

In keeping with the work started in 2017 within the Equator Principles association, Crédit Agricole CIB continued to play a role in the implementation process of the fourth version of the Equator Principles published in November 2019 and applicable since 1 July 2020, by participating in the drafting and updating of implementation notes.

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 compliance of activities and operations of the Bank and 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.

Indosuez Wealth Management 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, etc.

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 on compliance issues on a yearly basis. In 2020 the Board Members' attention was drawn to recent regulatory changes, notably concerning anti-corruption, reporting of suspicious activities and international sanctions. 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.

The Holding company of the Wealth Management business line has applied the set-up proposed by Crédit Agricole S.A. Group. The members of the Board of Directors of the Holding company, as well as the directors 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 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. integrates compliance and financial security programmes of the Crédit Agricole Group, aiming to ensure transparency and loyalty to clients, to contribute to the integrity of financial markets and to combat money laundering and fraud.

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 "the 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.

Indosuez Wealth Management has finalised risk mapping for of internal and external corruption.

PREVENTING FRAUD AND CYBERCRIME

Crédit Agricole CIB continues to strengthen its framework for preventing internal and external fraud, against the backdrop of increased frequency and growing complexity of fraud, particularly through cybercrime.

Correspondents of the fight against fraud division within business lines and support functions are regularly trained to increase their awareness with regard to risk elements. Warning and vigilance messages are sent to all employees, primarily 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 Department 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 fourth European directive 2015/849, approved by the European Parliament on 20 May 2015, on preventing the use of the financial system for money laundering and the financing of terrorism. A risk mapping was undertaken and implemented by all the Group's business lines, within the framework of the vigilance system adapted to the level of the risk identified when entering into a relationship and during the entire business relationship. Crédit Agricole CIB implant a 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 ID checks 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 for client profiling and for detecting unusual transactions. Crédit Agricole CIB Group is also implementing the obligations related to the fifth European Directive 2018/843 transposed into French law in 2020. The overall system implemented under the fourth Directive is adapted and supplemented in line with the changes introduced by this new Directive.

The fight against the financing of terrorism and the set-up for ensuring compliance with international sanctions implies, 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 monitoring of international transactions.

Despite 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.

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 (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.

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

The entire compliance framework (organisation, procedures, training programmes) aims to promote 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 this incident is:

- 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 to ensure the confidentiality of the facts reported, as well as any people involved and conversations which may occur between the whistle-blower 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 Department has developed a training programme covering Compliance issues. This programme was delivered by human resources to all Crédit Agricole CIB Group employees.

At the same time, the Crédit Agricole CIB Compliance Department's units with expertise in various topics provide both e-learning and classroom-based/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 classroom-based/remote training.

An awareness campaign was also conducted to remind employees of the main compliance principles and their obligations in this area.

Finally, Crédit Agricole CIB has launched a project to implant the Compliance Culture ("Embedded Compliance") aiming to strengthen the Compliance framework for the First Lines of Defence (all employees in direct contact with clients).

In order to reinforce non-compliance risk management within Indosuez Wealth Management, 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.

MANAGEMENT OF 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 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, regularly 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 Defence were carried out during 2020 and will continue in 2021.

Moreover, the Group also implements all measures to protect its clients' data and take 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.

In 2017 the group adopted the Crédit Agricole CIB Group's Charter on the "Use of Personal Data". The following year 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 or New Uses) set-up. This set-up 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 all of the Bank's Business Lines and Support Functions a secure framework for the digital transformation, innovation and the use of new technologies.

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 ensures compliance with all countries' fiscal regulations (ETNC, FATCA, AEOI, etc.). It also 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 line with its global strategy, the 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 deal with the issue of client Tax Compliance (booking centres available to AEI countries only, selection of clients living 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 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 "Main-streaming Climate Action within Financial Institutions" principles signed at the COP21 climate conference in Paris by a group of multilateral, development and commercial banks, which included Crédit Agricole.

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 as far as possible.

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.

This policy reflects the high level of involvement of the decision-making bodies and is part of the various commitments of the Crédit Agricole Group and its corporate and investment bank in this area since the adoption of the Climate Principles in 2008.

The policy includes:

- ambitious objectives in terms of financing the energy transition,
- realistic but demanding support for our clients in this transformation, which must be a gradual one,
- major efforts to measure and manage our indirect carbon footprint, and a renewed commitment to managing our direct footprint.

SIGNIFICANT EVENTS IN 2020

The implementation of the Group's climate strategy

In June 2019 Crédit Agricole Group published a Climate strategy aligned with the Paris agreement. It provides for a progressive reallocation of financing and investment portfolios to make green finance one of the group's growth drivers.

In 2020, Crédit Agricole CIB actively participated in the implementation of this policy, notably by contributing to the creation of a first version of a transition rating and the revision of CSR policies for the mining, metals, coal-fired power plants and transport infrastructure sectors.

Intended to offer support and promote dialogue with our clients, the transition rating will measure the extent of a client's commitment and ability to adapt its economic model to the challenges posed by the energy transition and climate change.

It will supplement the client's financial rating and provide additional information for client analysis.

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.

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 P9XCA methodology 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 and calculations linked to the transition climate risk 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 Investment Banking 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 global revenues 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 believed 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 nonfinancial 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 risk, 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.

SIGNIFICANT EVENTS IN 2020

Participation in climate stress tests organised by the ACPR (French Regulatory and Prudential Supervisory Authority)

In 2020, Crédit Agricole CIB contributed to Crédit Agricole Group's work and calculations as part of the climate stress tests organised by the ACPR.

This exercise provided an opportunity for specific discussions on the evolution of Crédit Agricole CIB's balance sheet by 2050 and the use of models usually used for stress tests.

These discussions will be extended into 2021.

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 finance. 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.

3.3. PROMOTING SMART CLIMATE OBJECTIVES

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

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, and the Bank is a leading provider of such project financing. The Bank first entered this sector in 1997 by financing the first wind farms, and in 2008 it financed a solar energy project in Spain. The project funding business line has financed in total more than 43,000 MW of installed wind farm capacity and over 15,000 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 were 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 income/financial products whose cost is indexed against the issuer's environmental performance. This new climate finance development was particularly marked in 2020, with over €122 billion of Sustainability-Linked Loans structured and the market consolidation of Sustainability-Linked Bonds with numerous new transactions.

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 2020, Crédit Agricole CIB was involved in the following transactions:

- The inaugural Green Bond of the Federal Republic of Germany: Crédit Agricole CIB acted as an exclusive advisor to Germany on the structuring of its innovative Green Bonds programme with a twin bond scheme, which combines the issuance of a conventional bond and a green bond with the same maturity and coupon. Crédit Agricole CIB also acted as joint bookrunner in its historic inaugural issue (€6.5 billion, 10-year maturity).
- Social Bonds issued by UNEDIC as part of its response to the Covid-19 crisis: Crédit Agricole CIB supported UNEDIC in structuring its Social Bonds Programme and acted as joint bookrunner in the issuance of €4 billion (6-year maturity), the largest social issuance at the time. The purpose of this issuance (and the following issuance for the same amount) is to offer socio-economic protection against the uncertainties of the labour market and to assist people in their professional (re) integration.
- The largest green convertible bond issue: Crédit Agricole CIB acted as joint bookrunner in EDF's jumbo issue of September 2020, reaching a record amount of €2.4 billion (4-year maturity). This is the largest issue, by size, of this type ever undertaken in the world, and the second issued in Europe. The funds raised will be used to finance virtuous environmental conservation projects, under the conditions of EDF's Green Bond Framework published in January 2020.
- America's first Sustainability-Linked Bond: Crédit Agricole CIB acted as coordinator and bookrunner in the bond issue by the Brazilian paper manufacturer Suzano in September 2020, supporting the expansion of the Sustainability-Linked Bonds market to Latin America. Suzano issued a $750 million bond with a 10-year maturity whose coupon will be revised upwards by 0.25% if the CO_2 emission reduction target is not met.

In 2020, the Technical Expert Group (TEG) also published its final report on European taxonomy within the scope of the European Commission's Action Plan for Sustainable Finance aimed at supporting the growth of responsible financing, including the Green Bonds market. The manager from the Crédit Agricole CIB Sustainable Banking team participated in the TEG and represents the European Association of Cooperative Banks.

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. In 2020, this incentive was increased for assets eligible for the Crédit Agricole Group Green Bond Framework.

Successfully applied for many years within Crédit Agricole CIB, it is intended to roll it out to other Crédit Agricole Group entities.

Indosuez Wealth Management

As part of its business plan, and in line with its socially responsible investment policy in Private Banking, Indosuez Wealth Management intends to grow its green finance.

To embody the societal project attached to green finance, in 2020 Indosuez Wealth Management created a dedicated global line.

Indosuez Wealth Management has expanded its green offering. After the launch of the Indosuez Objectif Terre – which allows investors to invest in securities of companies involved in the fight against global warming and the preservation of natural resources – and CFM Indosuez Environnement Développement Durable themed funds, Indosuez now offers management mandates on environmental and societal issues.

Indosuez's range of structured products also expanded in 2020 with a number of "green" products mainly issued by Crédit Agricole CIB and a green structured product mandate.

ESG criteria are included in the selection of Private Equity fund managers.

Indosuez currently uses Amundi's ESG (Environment, Social, Governance) criteria in the management processes and client portfolio statements.

3.4. IMPROVING OUR CLIMATE RESULTS

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 2020, was 60 Mt equivalent of CO_2, i.e. a carbon intensity under 250 t of CO_2 per million euros of financing.

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.

While it may seem still difficult to measure the alignment of the Bank's operations with the Paris climate agreement or a particular climate scenario, given the number and variety of operations and clients, good climate finance performance bears witness to the positive work done by Crédit Agricole CIB in this area.

In terms of number of loans, renewable energy represented over 85% of electricity generation project finance in 2020.

In 2020, Crédit Agricole CIB arranged €67 billion in Green Bonds, Social Bonds and Sustainability Bonds for its major clients. The Bank has been regularly recognized by *Global Capital* since 2014 for its Green Bonds origination activities and since 2015 has been named "ESG House of the Year" by the prestigious IFR review.

The exposure of the financing portfolio to the coal sector has been calculated since 2019 taking into account both the financing of the direct coal assets and indirect exposures calculated on the basis of customer turnover coal according to the data available to us. This exposure to less than EUR 350 M at the end of 2020, or between 0.3% and 0.4% of outstanding financing, down over 25% compared to 2019.

3.5. REPORTING ON OUR CLIMATE ACTION

Financial institutions, particularly in the private sector, are faced with 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, 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 Bons 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.

In line with Crédit Agricole Group's commitments in its climate policy published in June 2019, between now and end-2021 Crédit Agricole CIB will question the corporate clients involved about their coal exit plan.

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. We primarily achieve this by:

- **offering dedicated funds to finance environmental projects (green 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 PROJECTS: GREEN NOTES

Concept - Description

In 2013, Crédit Agricole CIB developed a new product: the "Crédit Agricole CIB Green Notes". The Green Notes are bonds or any other financial instrument issued by Crédit Agricole CIB whose funds raised 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 issues. This framework, which enabled Crédit Agricole S.A. to successfully launch its €1 billion inaugural issue of Green Bonds on 28 November 2018, is set to replace, from 2019 onwards, the existing Crédit Agricole CIB Green Notes Framework.

For its Green Notes, Crédit Agricole CIB has followed the principles laid down by the Green Bond Principles which are voluntary principles for the formulation of green bonds and for market guidance. Green Bond Principles are offered by the major green bonds arranging banks, including Crédit Agricole CIB.

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

- use of the funds;
- 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's "Green Notes" issued on the basis of the Group's Green Bond Framework benefit from a second opinion by the extra-financial rating agency Vigeo Eiris. Vigeo Eiris experts approved the relevance and soundness of the Group's Green Bond Framework, the methodology used to select the projects to be included in the green portfolio as well as its alignment with the Green Bond Principles.

Inventory

GREEN NOTES OUTSTANDINGS

At 31 December 2020, 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 €3.014 billion.

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
14/06/2013	18	EUR	10	10.0
27/04/2016	15	EUR	10	10.0
29/04/2016	19	EUR	61	61.0
02/06/2016	5	AUD	64.19	40.4
09/09/2016	11	EUR	12	12.0
18/11/2016	11	EUR	5	5.0
29/11/2016	11	EUR	5	5.0
16/12/2016	11	EUR	10	10.0
29/03/2017	15	EUR	8	8.0
27/04/2017	10	EUR	0.5	0.5
24/05/2017	10	EUR	0.5	0.5
29/06/2017	5	IDR	32,100	1.9
27/07/2017	4	BRL	5.958	0.9
29/09/2017	4	TRY	320.68	35.2
29/09/2017	4	MXN	165	6.8
21/11/2017	5	USD	87.97	71.7
21/12/2017	4	INR	86	1.0
30/01/2018	3	TRY	281.8	30.9
26/02/2018	8	EUR	37.9	37.9
27/02/2018	3	TRY	5.86	0.6
27/02/2018	3	INR	438.6	4.9
28/02/2018	3	TRY	6.8	0.7
09/03/2018	8	EUR	1	1.0
16/03/2018	8	EUR	1	1.0
20/03/2018	3	INR	179.4	2.0
05/04/2018	8	EUR	0.5	0.5
06/04/2018	10	EUR	0.5	0.5
11/06/2018	10	EUR	2.5	2.5
18/06/2018	8	JPY	2,000	15.8
21/06/2018	7	SEK	13	1.3
21/06/2018	3	INR	438.2	4.9
05/07/2018	10	JPY	3,000	23.7
11/07/2018	5	EUR	2.75	2.8
12/07/2018	3	USD	6.5	5.3
08/08/2018	3	INR	345.3	3.9
17/08/2018	5	EUR	1.3	1.3
17/08/2018	8	EUR	1.2	1.2
25/09/2018	3	USD	90.2	73.5
27/09/2018	5	SEK	30.95	3.1
27/09/2018	3	NOK	3	0.3
28/09/2018	10	JPY	1,500	11.9
28/09/2018	5	GBP	4.45	4.9
08/10/2018	10	EUR	0.5	0.5
31/10/2018	7	USD	9.85	8.0
01/11/2018	7	JPY	50	0.4
01/11/2018	7	JPY	50	0.4
01/11/2018	4	IDR	20,000	1.2
12/11/2018	6	SEK	39.80	4.0
12/11/2018	5	SEK	68.97	6.9
23/11/2018	5	SEK	10	1.0
05/12/2018	7	SEK	2	0.2
11/12/2018	12	EUR	3.75	3.8
18/12/2018	6	SEK	31.42	3.1
18/12/2018	5	SEK	24.12	2.4

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
20/12/2018	10	EUR	0.5	0.5
20/12/2018	5	USD	17.2	14.0
20/12/2018	5	AUD	55.59	35.0
21/12/2018	7	SEK	30	3.0
27/12/2018	12	EUR	85	85.0
09/01/2019	4	PLN	69.13	15.2
15/01/2019	7	JPY	1,000	7.9
22/01/2019	12	EUR	3.75	3.8
13/02/2019	6	SEK	18.61	1.9
13/02/2019	5	SEK	12.66	1.3
19/02/2019	5	AUD	83.6	52.6
19/02/2019	5	NZD	53.09	31.3
21/02/2019	4	IDR	19,000	1.1
26/02/2019	3	INR	286	3.2
11/03/2019	2	USD	4.72	3.8
15/03/2019	10	EUR	0.5	0.5
19/03/2019	15	EUR	75	75.0
20/03/2019	8	EUR	26.91	26.9
21/03/2019	6	SEK	12.71	1.3
21/03/2019	5	SEK	19.68	2.0
27/03/2019	4	PLN	34.82	7.6
28/03/2019	2	USD	1.415	1.2
04/04/2019	5	USD	1	0.8
23/04/2019	12	EUR	5	5.0
25/04/2019	12	EUR	209.5	209.5
06/05/2019	7	SEK	10	1.0
07/05/2019	6	SEK	13.15	1.3
07/05/2019	5	SEK	5	0.5
07/05/2019	5	SEK	10.37	1.0
27/05/2019	8	EUR	1	1.0
03/06/2019	6	SEK	13.16	1.3
03/06/2019	5	SEK	5.22	0.5
07/06/2019	10	EUR	1	1.0
14/06/2019	8	EUR	3.674	3.7
20/06/2019	6	EUR	1.05	1.1
04/07/2019	12	EUR	30	30.0
10/07/2019	10	EUR	2.40	2.4
12/07/2019	8	EUR	0.5	0.5
17/07/2019	6	SEK	5.25	0.5
17/07/2019	5	SEK	6.45	0.6
19/07/2019	3	PLN	29.78	6.5
25/07/2019	5	JPY	100	0.8
30/07/2019	5	TRY	11.62	1.3
30/07/2019	2	TRY	8.13	0.9
02/08/2019	8	EUR	1	1.0
07/08/2019	5	ZAR	20	1.1
08/08/2019	5	MXN	17	0.7
09/09/2019	8	EUR	11.73	11.7
13/09/2019	5	EUR	0.3	0.3
13/09/2019	5	EUR	0.75	0.8
03/10/2019	5	EUR	0.3	0.3
07/10/2019	10	EUR	4.157	4.2
08/10/2019	5	EUR	0.5	0.5
10/10/2019	3	USD	3	2.4
11/10/2019	8	EUR	2	2.0
18/10/2019	5	EUR	0	-
25/10/2019	8	EUR	0.7	0.7
29/10/2019	5	SEK	15	1.5
31/10/2019	7	EUR	0.75	0.8
31/10/2019	10	EUR	0.5	0.5
31/10/2019	10	EUR	0.3	0.3

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
04/11/2019	4	EUR	30	30.0
14/11/2019	6	TRY	7.87	0.9
14/11/2019	6	TRY	8.4	0.9
15/11/2019	10	EUR	2	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
25/11/2019	5	JPY	70	0.6
25/11/2019	5	JPY	50	0.4
26/11/2019	5	SEK	10	1.0
29/11/2019	10	EUR	100	100.0
04/12/2019	3	USD	1	0.8
05/12/2019	3	USD	12.31	10.0
06/12/2019	5	EUR	0.5	0.5
06/12/2019	3	USD	1.4	1.1
10/12/2019	3	EUR	1.3	1.3
11/12/2019	3	USD	6	4.9
11/12/2019	3	EUR	0.6	0.6
12/12/2019	3	EUR	2.4	2.4
12/12/2019	10	TRY	21.47	2.4
12/12/2019	8	TRY	6.67	0.7
12/12/2019	15	ZAR	62.56	3.5
12/12/2019	15	AUD	25	15.7
13/12/2019	3	EUR	1.05	1.1
13/12/2019	5	EUR	0.5	0.5
17/12/2019	5	SEK	10	1.0
17/12/2019	5	EUR	0.78	0.8
18/12/2019	10	EUR	18	18.0
19/12/2019	3	EUR	0.47	0.5
19/12/2019	5	EUR	0.2	0.2
19/12/2019	7	EUR	0.8	0.8
19/12/2019	3	USD	0.9	0.7
20/12/2019	7	EUR	0.55	0.6
23/12/2019	3	USD	0.1	0.1
23/12/2019	6	EUR	0.5	0.5
23/12/2019	5	EUR	0.5	0.5
24/12/2019	2	USD	1.15	0.9
27/12/2019	3	USD	1.92	1.6
27/12/2019	3	USD	0.5	0.4
27/12/2019	4	MXN	70	2.9
30/12/2019	2	EUR	11.16	11.2
06/01/2020	8	EUR	1	1.0
06/01/2020	8	EUR	1.52	1.5
10/01/2020	10	EUR	0.5	0.5
16/01/2020	7	EUR	0.1	0.1
16/01/2020	5	JPY	1,500	11.9
20/01/2020	5	EUR	1.35	1.4
21/01/2020	3	USD	2.15	1.8
22/01/2020	3	EUR	5.79	5.8
24/01/2020	8	EUR	5.14	5.1
24/01/2020	8	EUR	2	2.0
27/01/2020	3	JPY	2,086	16.5
27/01/2020	5	JPY	4,568	36.1
27/01/2020	3	USD	1.52	1.2
28/01/2020	5	EUR	1	1.0
31/01/2020	10	EUR	5	5.0
03/02/2020	1	EUR	0.52	0.5
03/02/2020	1	USD	5.7	4.6
07/02/2020	3	USD	1	0.8

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
07/02/2020	5	EUR	0.5	0.5
10/02/2020	8	EUR	2	2.0
10/02/2020	7	ZAR	140	7.8
13/02/2020	5	ZAR	25	1.4
13/02/2020	15	ZAR	60	3.3
13/02/2020	7	TRY	8.4	0.9
14/02/2020	5	EUR	5.70	5.7
14/02/2020	6	EUR	0.2	0.2
14/02/2020	2	USD	1	0.8
14/02/2020	10	EUR	0.5	0.5
17/02/2020	10	EUR	0.4	0.4
18/02/2020	3	USD	11.29	9.2
18/02/2020	5	JPY	1,000	7.9
18/02/2020	2	USD	0.83	0.7
19/02/2020	4	ZAR	25	1.4
20/02/2020	5	EUR	0.5	0.5
24/02/2020	5	EUR	14.15	14.2
24/02/2020	3	USD	1.43	1.2
24/02/2020	3	USD	0.55	0.4
25/02/2020	5	JPY	1,700	13.4
25/02/2020	3	USD	0.75	0.6
25/02/2020	5	JPY	756	6.0
25/02/2020	5	JPY	7,003	55.4
25/02/2020	5	USD	0.56	0.5
26/02/2020	5	USD	1.11	0.9
26/02/2020	10	EUR	0.6	0.6
26/02/2020	10	USD	15	12.2
26/02/2020	10	USD	15	12.2
27/02/2020	3	USD	5.89	4.8
27/02/2020	5	EUR	0.65	0.7
27/02/2020	3	USD	0.05	0.0
27/02/2020	5	EUR	0.5	0.5
27/02/2020	2	USD	0.6	0.5
28/02/2020	8	EUR	3	3.0
28/02/2020	5	EUR	5	5.0
28/02/2020	3	EUR	1.1	1.1
28/02/2020	3	USD	6.70	5.5
02/03/2020	3	EUR	2.83	2.8
02/03/2020	5	EUR	2.08	2.1
02/03/2020	5	EUR	0.8	0.8
02/03/2020	5	EUR	4.45	4.4
02/03/2020	3	INR	288.6	3.2
03/03/2020	3	USD	1	0.8
04/03/2020	5	EUR	4	4.0
04/03/2020	5	EUR	4	4.0
05/03/2020	3	USD	2	1.6
05/03/2020	15	ZAR	54	3.0
05/03/2020	7	TRY	8.5	0.9
06/03/2020	10	EUR	4.93	4.9
06/03/2020	10	EUR	4.4	4.4
06/03/2020	3	EUR	0.5	0.5
06/03/2020	3	USD	0.7	0.6
09/03/2020	10	EUR	1.23	1.2
09/03/2020	5	ZAR	25	1.4
10/03/2020	10	EUR	1	1.0
10/03/2020	10	EUR	8	8.0
11/03/2020	10	EUR	3	3.0
11/03/2020	10	EUR	2	2.0
11/03/2020	3	EUR	0.28	0.3
12/03/2020	5	USD	3	2.4
12/03/2020	5	USD	3.07	2.5

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
13/03/2020	10	EUR	2	2.0
13/03/2020	6	USD	1.8	1.5
13/03/2020	10	EUR	2	2.0
13/03/2020	3	USD	0.5	0.4
13/03/2020	10	EUR	2	2.0
16/03/2020	10	EUR	1	1.0
18/03/2020	10	EUR	2	2.0
18/03/2020	3	TRY	10	1.1
18/03/2020	5	IDR	39,000	2.3
20/03/2020	3	EUR	3.59	3.6
20/03/2020	3	USD	1.1	0.9
23/03/2020	6	TRY	10	1.1
23/03/2020	15	ZAR	59	3.3
25/03/2020	8	EUR	2	2.0
27/03/2020	5	EUR	1	1.0
01/04/2020	6	EUR	0.4	0.4
03/04/2020	10	EUR	2	2.0
03/04/2020	5	EUR	8	8.0
14/04/2020	8	EUR	0.25	0.3
15/04/2020	10	EUR	2	2.0
16/04/2020	7	EUR	0.5	0.5
21/04/2020	8	EUR	10	10.0
22/04/2020	8	EUR	5	5.0
24/04/2020	6	EUR	17.08	17.1
14/05/2020	8	EUR	3.3	3.3
14/05/2020	12	EUR	8	8.0
21/05/2020	10	EUR	3.89	3.9
03/06/2020	10	EUR	1.9	1.9
04/06/2020	3	USD	2	1.6
04/06/2020	10	USD	10	8.1
05/06/2020	10	USD	10	8.1
09/06/2020	10	JPY	100	0.8
09/06/2020	5	JPY	200	1.6
10/06/2020	3	USD	1.5	1.2
11/06/2020	8	EUR	30.90	30.9
12/06/2020	10	EUR	1.5	1.5
12/06/2020	3	USD	2.08	1.7
12/06/2020	1.5	USD	1.5	1.2
15/06/2020	6	EUR	4.33	4.3
16/06/2020	3	EUR	2.49	2.5
17/06/2020	3	USD	1.45	1.2
17/06/2020	3	USD	0.9	0.7
18/06/2020	10	ZAR	250	13.9
19/06/2020	10	EUR	1.25	1.2
19/06/2020	5	EUR	0.5	0.5
19/06/2020	5	EUR	0.5	0.5
19/06/2020	3	EUR	4.81	4.8
22/06/2020	3	USD	2.25	1.8
23/06/2020	8	EUR	2.4	2.4
23/06/2020	1	USD	1.4	1.1
25/06/2020	5	EUR	0.5	0.5
25/06/2020	5	EUR	0.5	0.5
25/06/2020	5	USD	3.85	3.1
26/06/2020	5	EUR	12.35	12.3
26/06/2020	8	EUR	2.2	2.2
26/06/2020	3	EUR	3.9	3.9
29/06/2020	3	USD	1.2	1.0
29/06/2020	3	USD	1.5	1.2
29/06/2020	8	EUR	30	30.0
30/06/2020	2	USD	4	3.3
30/06/2020	3	EUR	1.5	1.5

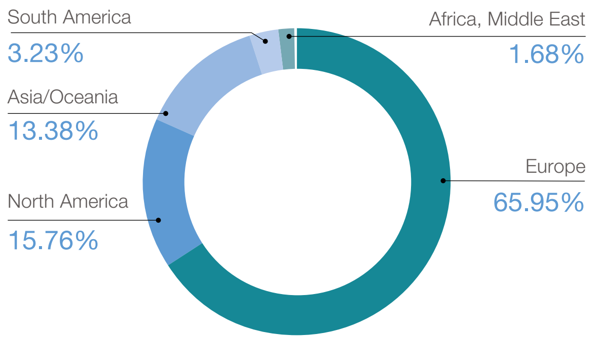
Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
01/07/2020	1	EUR	0.8	0.8
01/07/2020	1	USD	4.17	3.4
01/07/2020	3	USD	1.67	1.4
03/07/2020	4	EUR	2.22	2.2
06/07/2020	3	EUR	1.22	1.2
06/07/2020	4	USD	2	1.6
08/07/2020	3	USD	1.5	1.2
08/07/2020	4	EUR	2.52	2.5
15/07/2020	5	JPY	1,050	8.3
21/07/2020	6	TRY	11.5	1.3
22/07/2020	2	USD	1.65	1.3
23/07/2020	1	USD	2.25	1.8
24/07/2020	8	EUR	1.25	1.3
24/07/2020	10	EUR	1	1.0
24/07/2020	1	USD	1.6	1.3
27/07/2020	5	USD	6.99	5.7
27/07/2020	5	AUD	20.28	12.8
28/07/2020	2	EUR	0.9	0.9
29/07/2020	0.5	USD	0.85	0.7
03/08/2020	10	EUR	22.66	22.7
03/08/2020	5	EUR	3.78	3.8
05/08/2020	6	TRY	27.17	3.0
06/08/2020	5	JPY	502	4.0
14/08/2020	10	EUR	7.23	7.2
19/08/2020	3	EUR	2.95	2.9
21/08/2020	3	EUR	1	1.0
25/08/2020	5	USD	1	0.8
31/08/2020	3	EUR	4.32	4.3
31/08/2020	3	USD	1.25	1.0
31/08/2020	3	EUR	2.61	2.6
02/09/2020	2	CHF	1.5	1.4
04/09/2020	8	EUR	70	70.0
04/09/2020	8	EUR	100	100.0
04/09/2020	5	EUR	50	50.0
04/09/2020	5	EUR	30	30.0
07/09/2020	8	EUR	30	30.0
07/09/2020	8	EUR	30	30.0
14/09/2020	9	EUR	30	30.0
15/09/2020	10	USD	112	91.3
16/09/2020	10	EUR	0.58	0.6
18/09/2020	8	EUR	1	1.0
23/09/2020	3	USD	1.05	0.9
23/09/2020	1	USD	75.26	61.3
24/09/2020	0.5	USD	0.83	0.7
25/09/2020	1	EUR	10	10.0
28/09/2020	0.5	USD	1.35	1.1
28/09/2020	0.5	USD	1.7	1.4
28/09/2020	3	USD	2.22	1.8
01/10/2020	2.5	CHF	3	2.8
01/10/2020	1	USD	1.35	1.1
02/10/2020	1	USD	0.7	0.6
02/10/2020	5	EUR	11.11	11.1
07/10/2020	5	PLN	19.84	4.4
09/10/2020	5	EUR	0.8	0.8
09/10/2020	2	USD	1.5	1.2
12/10/2020	1	EUR	6.32	6.3
14/10/2020	4	JPY	1,010	8.0
15/10/2020	1	USD	1.15	0.9
15/10/2020	1	USD	1.4	1.1
16/10/2020	1	USD	1.85	1.5
16/10/2020	1	USD	1.2	1.0

Issue date	Maturity (years)	Currency	Amount in currency (million)	Equivalent amount in €million
16/10/2020	3	USD	1	0.8
19/10/2020	2	USD	1.37	1.1
20/10/2020	2	EUR	1.2	1.2
20/10/2020	3	EUR	5.575	5.6
21/10/2020	1	USD	2	1.6
21/10/2020	1.5	USD	2.07	1.7
21/10/2020	8	EUR	60	60.0
22/10/2020	6	GBP	5	5.6
22/10/2020	10	USD	1.8	1.5
23/10/2020	8	EUR	0.5	0.5
23/10/2020	2	EUR	2.85	2.9
26/10/2020	2	USD	1.52	1.2
26/10/2020	3	INR	106	1.2
27/10/2020	3	JPY	1,878	14.8
27/10/2020	1.5	JPY	9,236	73.0
27/10/2020	3	JPY	2,247	17.8
27/10/2020	5	TRY	9.5	1.0
27/10/2020	2	TRY	20	2.2
28/10/2020	1.5	USD	1.9	1.5
28/10/2020	4	EUR	1.3	1.3
28/10/2020	5	USD	1	0.8
29/10/2020	1	JPY	1,993	15.8
29/10/2020	2	JPY	2,558	20.2
29/10/2020	3	JPY	1,218	9.6
29/10/2020	1.5	EUR	1.164	1.2
30/10/2020	1.5	EUR	1.07	1.1
03/11/2020	1.5	EUR	1	1.0
09/11/2020	2	EUR	0.5	0.5
09/11/2020	8	EUR	30	30.0
12/11/2020	5	USD	1.7	1.4
16/11/2020	4	JPY	500	4.0
16/11/2020	5	EUR	1	1.0
20/11/2020	2	EUR	1.1	1.1
27/11/2020	1	JPY	1,790	14.2
27/11/2020	2	JPY	2,550	20.2
27/11/2020	3	INR	189.1	2.1
01/12/2020	4	JPY	500	4.0
09/12/2020	10	EUR	0.5	0.5
11/12/2020	10	EUR	5	5.0

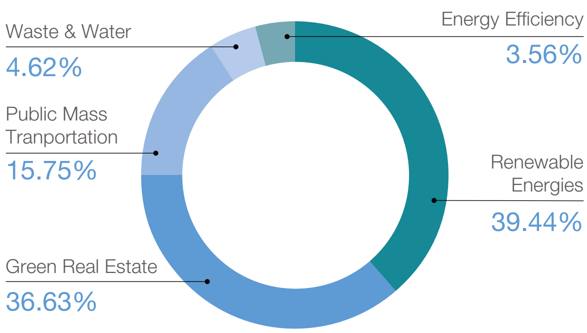
BREAKDOWN OF THE PORTFOLIO

As of 31 December 2020, the breakdown of the green portfolio is as follows. It is well diversified, both geographically and sectorially, in line with Crédit Agricole CIB's conviction that the transition to a greener economy will involve numerous industrial sectors, around the world.

▶ Breakdown by region



▶ Breakdown by sector



4.2. ADVISING OUR CLIENTS ON SOCIAL AND ENVIRONMENTAL PROJECTS

Since 2010, the Sustainable Banking team has been supporting clients with social or environmental projects in line with the four areas of excellence selected by Crédit Agricole Group: farming and food production, housing, health and the ageing population, and the energy and environment economy.

Crédit Agricole CIB has thus supported, during the course of 2020, 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 2020 in order to support its clients throughout their value chain through the implementation of green securitisations or green export loans.

4.3. PROMOTING SOCIALLY RESPONSIBLE INVESTMENT (SRI) IN PRIVATE BANKING

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

- CSR awareness for clients;
- introduction of a range of ESG mandates and funds;
- creation of a socially responsible financing and investment offering;
- inclusion of an ISR rating in eligible client portfolios.

The work already carried out has led to client events and fund launches, structured products and green management mandates now being offered to clients.

4.4. ASSESSING AND MANAGING THE RISKS ARISING FROM 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 "Incorporating the challenges of climate change".

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, for example.

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.

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 were supplemented by several 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.

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 greater than the Bank's direct environmental footprint. Taking these indirect impacts into account is one of the main sustainable development challenges for Crédit Agricole CIB. The system 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. Account managers are backed by a network of local correspondents, who provide the necessary support in each regional Project Finance structuring centre and remain in constant communication with a 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 finetune the analysis and identify the risks for each business sector.

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

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

13 finance project loans have been signed [1] in 2020 and were ranked into category A, B and C of the International Finance Corporation. At 31 December 2020, 394 projects in the portfolio had been ranked. The classification of projects breaks down as follows:

- 39 projects classified as A, 1 of them in 2020;
- 306 were classified as B, 12 of them in 2020;
- and 49 projects classified as C, none of them in 2020.

The 2020 breakdown by sector and region is as follows:

	Category A	Category B	Category C
Total	**1**	**12**	**-**
Sector			
Mining	-	-	-
Infrastructures	-	3	-
Oil & Gas	1	1	-
Energy	-	8	-
Of which renewable energies	-	6	-
Other	-	-	-
Region			
North America	-	4	-
Latin America	-	-	-
Asia / Oceania	-	1	-
Europe	-	6	-
Middle East/ Africa	1	1	-
Country Designation			
Designated	-	11	-
Non-designated	1	1	-
Independent review			
Yes	1	11	-
No	-	1	-

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 2020, there were 30 Project-Related Corporate Loans (PRCL) in the portfolio. Seven PRCLs were signed[1] in 2020 and ranked as category A, B or C, as follows:

- 5 were classified as A;
- 2 were classified as B;
- no projects were classified as C.

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

The sector-specific and geographic distributions are as follows:

	Category A	Category B	Category C
Total	**5**	**2**	**-**
Sector			
Mining	-	-	-
Infrastructures	3	-	-
Oil & Gas	2	-	-
Energy	-	-	-
Other	-	2	-
Region			
North America	-	-	-
Latin America	-	2	-
Asia/Oceania	3	-	-
Middle East/ Africa	2	-	-
Country Designation			
Designated	-	-	-
Non-designated	5	2	-
Independent review			
Yes	5	2	-
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 assessment

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

Client CSR scoring

From 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, Compliant 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. These three levels of due diligence are described on the Bank's website.

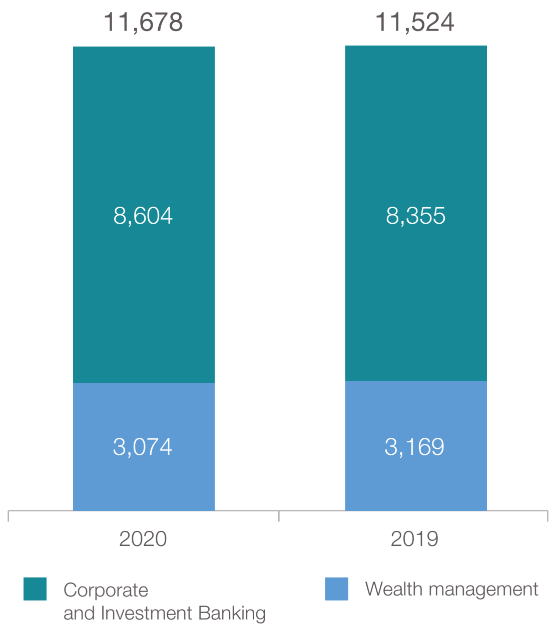
5. HUMAN PROJECT: IMPLEMENTING A MORE EMPOWERING MANAGERIAL MODEL AND WORK ORGANISATION, IN A FRAMEWORK OF REINFORCED TRUST

As part of the Group's Medium-Term Plan, 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 offering a working environment that develops collaboration, trust and initiatives, the Bank wants to strengthen each person's empowerment and commitment in the interest of its clients and the society.

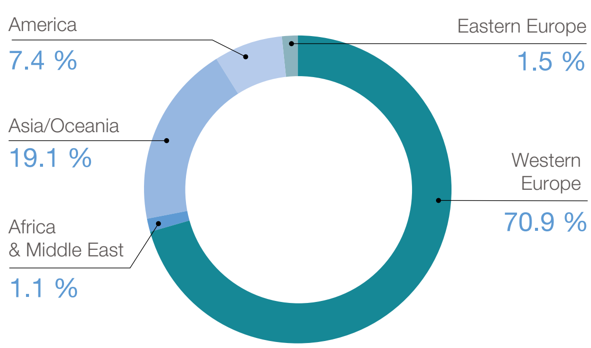
Since March 2020, the Human Resources and Occupational Health Department teams have been mobilised to provide support to management and employees during the health crisis. The specific measures deployed enabled both the protection of the teams and the business continuity through enhanced social dialogue 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 31 december 2020



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

	2020			2019		
	France	International	Total	France	International	Total
Permanent staff	4,991	6,344	11,335	4,902	6,373	11,275
Contractors	51	292	343	36	213	249
Total active staff	5,042	6,636	11,678	4,938	6,586	11,524
Permanent staff on extended leave of absence	56	17	73	62	24	86
Total	**5,098**	**6,653**	**11,751**	**5,000**	**6,610**	**11,610**

2

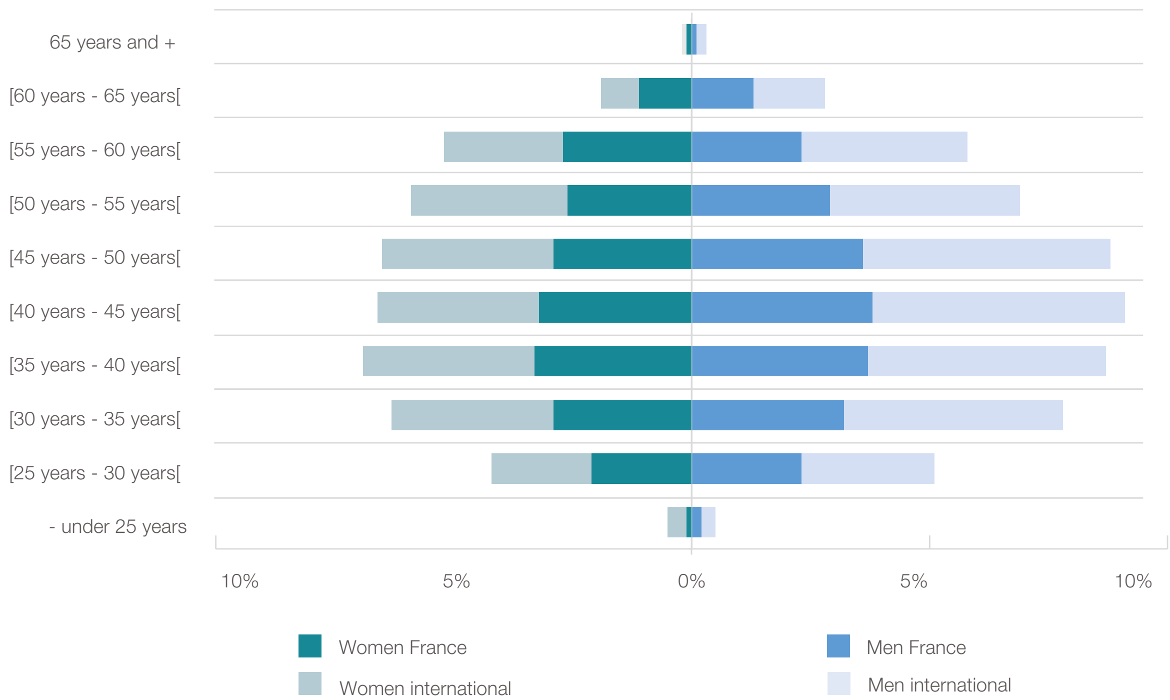
Breakdown of permanent staff in France by gender

	2020		2019	
In %	Women	Men	Women	Men
Staff in France	47.2	52.8	48.1	51.9
Business scope in France		**100 %**		**100 %**

Breakdown of permanent staff in France by gender and status

	2020		2019	
In %	Managers	Non-managers	Managers	Non-managers
Staff in France	94.8	5.2	93.6	6.4
Of which women (in %)	91.3	8.7	89.4	10.6
Of which men (in %)	98.0	2.0	97.4	2.6
Business scope in France		**100 %**		**100 %**

Age structure at 31 December 2020



Breakdown by age

	2020			2019		
	France	International	Total	France	International	Total
Average age	43 years and 4 months	43 years and 2 months	43 years and 2 months	43 years and 1 month	43 years and 2 months	43 years and 2 months

The average age of Crédit Agricole CIB Group employees is 43 years and 2 months old, 43 years and 4 months old for France and 43 years and 2 months old for the international business.

▶ Forecasts of employees reaching the age of 65 in France over the next 10 years

	2020	
	Number	%
65 years old in « n »	24	0.5
65 years old in « n »+1	19	0.4
65 years old in « n »+2	35	0.7
65 years old in « n »+3	58	1.1
65 years old in « n »+4	62	1.2
65 years old in « n »+5	100	2.0
65 years old in « n »+6	108	2.1
65 years old in « n »+7	94	1.8
65 years old in « n »+8	123	2.4
65 years old in « n »+9	120	2.3
65 years old in « n »+10	128	2.5
Total	**871**	**17.0**

▶ Promotions in France

	2020			2019		
	Women	Men	Total	Women	Men	Total
Promotion in the non-manager category	5	3	8	5	6	11
Promotion from non-manager to manager	28	10	38	30	11	41
Promotion in the manager category	131	174	305	68	120	188
Total	**164**	**187**	**351**	**103**	**137**	**240**
%	46.7	53.3	100.0	42.9	57.1	100.0
Business scope in France			**99%**			**99%**

▶ Number of permanent staff recruited by geographical region

	Number of permanent staff recruited [1]		2020	2019
In number	Wealth Management	CIB	Total	Total
France	21	286	307	365
Western Europe	176	124	300	295
Central & Eastern Europe	-	10	10	17
Africa	-	0	0	1
Asia & Pacific	35	159	194	317
Middle East	-	3	3	10
Americas	8	58	66	118
Total 2020	**240**	**640**	**880**	**-**
Total 2019	**295**	**828**	**-**	**1,123**
Business scope in France		-	100%	99%

[1] Including among trainees, work-study trainees et fixed term contract.

▶ Proportion of part-time staff

	2020			2019		
	Managers	Non-managers	Total	Managers	Non-managers	Total
Part-time staff	391	56	447	394	76	470
% part-time staff	8.1	21.5	8.8	8.4	23.7	9.4
% women in part-time staff	-	-	91.3	-	-	91.3
Business scope in France			**99 %**			**99 %**

ENCOURAGING AND PROMOTING EMPLOYEE DEVELOPMENT AND EMPLOYABILITY

Crédit Agricole CIB's Human Project is based on three levers: managerial transformation to empower teams, organisational transformation to remain close to the clients and strengthening the social pact for creating a trust framework that encourages everyone to take initiative.

By developing an empowering managerial culture, Crédit Agricole CIB wants to promote the development and commitment of employees by strengthening their autonomy and their ability to meet client's needs efficiently. To support managers with these transformations, Crédit Agricole CIB relies on a solid foundation of training to spread a common managerial culture, notably through the Management Academy. In 2020, the programmes "Leadership, sense and empowerment" and "Leading @ Crédit Agricole" were also rolled out to senior executives.

In addition to this managerial support, Crédit Agricole CIB has launched a pilot phase of its empowerment approach involving all levels of the organisation.

This change in managerial culture – initiated as part of Crédit Agricole CIB's Medium-Term Plan – is taking place in the very specific context of the health crisis, where working methods and interactions have been disrupted. HR teams play a key role in supporting managers and employees in these transformations and promoting greater empowerment of the teams.

5.1. EMPLOYEE INDUCTION

5.1.1 Listening to our employees and fostering their commitment

In 2020, in order to keep a link with the teams, the initiatives that encourage employees' participation were strengthened.

Crédit Agricole CIB and Indosuez Wealth Management participated, as they do every year, in the Crédit Agricole Group's Engagement and Recommendation Index survey, sent to all their employees worldwide, from 22 September to 22 October 2020. At Crédit Agricole CIB, this initiative fits in with commitment surveys deployed since 2015 and allows to assess the positive development of results. In 2020, Crédit Agricole CIB achieved its best ERI score with 79% favourable responses (6 points higher than in 2019) and its highest participation rate with a 70% response rate. The results of this survey demonstrate unprecedented participation by employees and very strong commitment to the strategy of the Group and Crédit Agricole CIB during this extraordinary year. They also reflect strong progress on topics related to autonomy, empowerment and the ability to propose new ideas in a climate of trust to meet client needs.

Given the very particular context of this year, specific listening and support mechanisms have also been put in place to maintain the link with employees, keep them informed at each new stage of the crisis and give them the opportunity to express their views on this unprecedented situation. In April and May, two surveys (We Care) were sent to employees in France in order to allow them to express their views on how they were experiencing the situation, understand their needs and hear the best practices they wanted to share. Through their responses, they expressed very strong commitment, exceptional mobilisation and confidence in the decisions taken by the Group and Crédit Agricole CIB to manage this crisis. Similar surveys were conducted in the UK, Italy, Spain and Russia.

These results also highlight the local support offered to employees. The management teams, Human Resources and the Occupational Health Department have been highly involved in maintaining the link with all employees and keeping them informed on a regular basis of changes in work organisation and specific measures put in place to protect the teams. This support was notably reflected in regularly sending communications to all employees, implementing a Q&A gathering employees' main questions and organising remote meetings between department's managers and their teams.

5.1.2 Initiating a new empowerment approach

One of the ambitions of Crédit Agricole CIB's Human Project and the aim of the Bank's empowerment approach since 2020 is to engage and empower employees and remain close to the clients.

In an environment where the majority of the teams worked remotely, it was essential for the Bank to roll out this initiative involving both senior managers, managers and employees.

This new approach, initiated by Crédit Agricole CIB, 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 2020, a pilot phase of the empowerment approach was launched within the Finance department teams.

5.1.3 Accelerating the development of our employees' skills in a rapidly changing environment

In an ever-changing environment, employee development is essential for supporting the transformation of the business. The Human Resources policies of the Group and of Crédit Agricole CIB is 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. Thus, Crédit Agricole CIB deploys a policy of career management to enable each employee, regardless of his or her level in the organisation, to expand their professional experience in a constructive manner, but also to develop skills that will be necessary and essential in the future. 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 employee experience enriched by digital technology, Crédit Agricole CIB has strengthened and enhanced its remote training offering in order to enable everyone to continue developing their skills despite the health context of 2020.

5.1.3.1 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 2020, Crédit Agricole CIB developed the accessibility of its training offer in order to continue developing the skills of all its employees, despite the constraints related to the health context. The digital modules dedicated to personal development, leadership, management and language learning are now accessible from personal devices (tablets and smartphones) and employees' professional mobile phones.

This new means of access has been the subject of a global communication campaign and local promotion – as carried out in Asia, for example.

In addition, in order to meet regulatory requirements, the new "My Mandatory Learning Camp" approach was launched in July. The aim of this initiative was to empower employees by giving them autonomy to plan their mandatory and regulatory training according to their availability, over a longer period of time and before 31 October 2020. This initiative was a real success in terms of training participation.

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 agreements signed;
- use available new technologies and educational methods to promote access to training;
- incorporate training reform into the Crédit Agricole CIB training policy.

In 2020, the majority of training hours were devoted to compliance, followed by training in Banking-Finance and language training.

▶ Training policy

	2020	2019
Number of employees trained		
France	4,754	6,000
International	5,793	6,828
Total	**10,547**	**12,828**
Business scope	**98%**	**98%**
Numbers of training hours		
France	33,137	141,345
International	95,006	146,722
Total	**128,143**	**288,067**
Business scope	**98%**	**98%**

▶ Training themes

Number of hours	2020				2019	
Themes	Total	%	Of which France	Of which international	Total	%
Knowledge of Crédit Agricole S.A.	1,962	1.5	75	1,887	5,400	1.9
Personnel and business management	3,485	2.7	1,062	2,423	16,478	5.7
Bank, law and economics	13,713	10.7	927	12,786	33,746	11.7
Insurance	1,269	1.0	921	348	2,153	0.7
Financial management (accounting, tax, etc)	1,861	1.5	721	1,140	14,719	5.1
Risks	3,438	2.7	564	2,874	6,340	2.2
Compliance	62,282	48.6	24,640	37,642	81,131	28.2
Method, organisation and quality	1,955	1.5	403	1,552	12,254	4.3
Purchasing, marketing, distribution	17	0.01	17	0	1,361	0.4
IT, Networks, Telecommunications	2,536	2.0	478	2,058	8,270	2.9
Foreign Languages	18,028	14.1	1,171	16,857	46,753	16.2
Office systems, business-specific software, new technology	5,101	4.0	282	4,819	8,487	2.9
Personal development and communiation	6,522	5.1	598	5,924	35,603	12.4
Health & Safety	4,242	3.3	608	3,634	11,246	3.9
Human rights and environment	761	0.6	507	254	2,171	0.8
Human Resources	971	0.8	163	808	1,955	0.7
Total	**128,143**	**100.0**	**33,137**	**95,006**	**288,067**	**100.0**
Business scope in France			**98%**			**98%**

Develop and value employees by offering them a professional pathway – prepared together with their manager and HR manager

The appraisal and objectives setting meetings provide an opportunity to take stock of individual and collective performance, the employees' achievements over the year and their development needs. These meetings are part of regular discussions between managers and employees enabling feedback throughout the year to be shared.

Within the framework of this worldwide campaign in 2020, almost 99% of the annual assessments between employees and managers have been realised. All employees in France with six years' service within Crédit Agricole CIB, as of this year, were given a Recap Professional Interview to take stock of how they were progressing, within a focus on training and career development.

Two other mechanisms are used to collect feedback in order to promote employee development:

- the Cross-Feedback tool, an effective development tool for the most cross functional positions by providing objective feedback from the people with whom the employee is in daily contact. This tool helps to promote better cooperation between the Bank's teams and to develop a culture based on feedback. This is a constructive approach which focuses on the work of an employee during the past year. In 2020, 1,468 employees received individual Cross Feedback reports;
- the 360°, a tool for the development of senior executives, enables members of the Executive Committee and their direct reports to receive feedback from their managers, peers and direct reports concerning the past year.

Supporting transformation to achieve relationship excellence

In order to continuously develop the expertise and skills of its bankers in order to serve their clients, Crédit Agricole CIB offers targeted courses and training combining business workshops and behavioural training on key topics such as advanced negotiation, assertiveness and pitching.

The objective of these training courses is to support business lines in their development and strengthen client-centricity, and the technical and relationship excellence of our Bankers.

In the current context, these courses now incorporate the new topic of remote relationship optimisation.

Adapting business lines and IT skills to technological changes

In order to support all of the Bank's transformation projects, a new IT offer – the Pluralsight platform – was made available to certain business lines and IT employees in 2020. This platform allows selected employees to develop their skills in web development, security, data and various other IT domains.

Raising awareness of digital and innovation

Adapting to remote working, continuing to support employees with technological developments in their working environment and raising their awareness of innovation is essential. To this end, Crédit Agricole CIB rolled out new training programmes in 2020:

- In partnership with the innovation teams: training on the fundamentals of machine learning has been implemented in response to a desire to build on the skills of internal artificial intelligence and develop growing use cases within Crédit Agricole CIB. This training allows participants to respond to a real data science issue in order to put into practice the knowledge acquired during the training.
- In partnership with Netexplo: Julien Levy, Docent at HEC Paris and Head of the Chair AXA Digital Strategy and Big Data, came to Crédit Agricole CIB to present his vision of data transformation within major organisations and provide more than 300 employees with a better understanding of the challenges related to data transformation.

In addition to these provisions and in order to promote cross-functionality and skills development under a different approach, in 2019, the Bank launched 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, 21 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.

Developing cross-functional, behavioural and managerial skills

In line with the Bank's digital transformation over the past few years and to adapt to the new constraints linked to the health crisis, Crédit Agricole CIB has expanded its digital training offer to enable all its employees to continue developing their skills. Accessibility of the digital training offer has also been extended to enable employees to train in languages, IT and soft skills from their personal mobile devices (tablet, smartphone).

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 Learner 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. These levels combine digital modules and face-to-face training based around four spheres of expertise: relationship intelligence, team mobilisation, sharing and steering the strategy. New training courses were added to support these changes and allow all managers to better understand topics such as remote management and preparing annual assessments.

The empowerment approach, launched in 2020 as part of the Human Project, complements the Management Academy by strengthening the themes of authentic leadership and strengths-based management. The pilot phase of this initiative is now being rolled out within the Finance and Procurement teams.

5.1.3.2 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 leading player in their own development by encouraging them to take the initiative vis-à-vis the choices and career paths for developing their skills.

MyJobs, the dedicated internal mobility portal, is available to Crédit Agricole CIB employees in France and worldwide. It lists all of the job vacancies in corporate and investment banking and the Crédit Agricole S.A. Group. In addition, Crédit Agricole CIB uses different systems to support employees in their mobility: mobility Committees, events and workshops, individual support and digital pathways. These initiatives also create a more cross disciplinary approach and develop the mobility culture.

In 2020, the Bank organised the third edition of its Mobility Week in France. The event, which took place for the first time in an entirely digital format, was a great success with a hundred participants each day taking part in the events offered. It was structured around a conference and workshops on the theme of self-confidence. It also enabled participants to better understand the business and opportunities within Crédit Agricole CIB, and receive personalised advice from the HR teams.

The *Déclic Mobilité programme*, launched in 2017 with a consultancy specialising in professional support, continued in 2020 in a digital format. Since its inception it has offered 136 employees the opportunity to discuss their mobility plans and to get them underway. The system combines an individual interview with group sessions encouraging people to share their experiences.

In addition, 73 employees took part this year in mobility workshops organised each month and received advice to help them reflect on their career plan, write their CVs and prepare their recruitment interviews.

Crédit Agricole CIB also continues to offer all its employees, in France and abroad, the digital course created in partnership with the startup Jobmaker. This 7-stage procedure suggests work to do and video advice. Its flexible format allows employees to progress at their own pace as they reflect on and build their professional plans. At the end of this course, the employee can share the summary of their thoughts with their HR manager during a dedicated interview.

In an effort to promote a meritocratic and more inclusive approach at all levels of the organisation, Crédit Agricole CIB has also modelled a skills-based system to prepare succession plans for strategic positions in a harmonised and structured way.

5.1.4 Attracting talent, developing employees, preparing succession plans

One of the challenges of 2020 was to adapt existing systems to the constraints of the health crisis in order to continue preparing the future, integrate younger generations, and attract and develop talents.

In 2020, despite an unprecedented context, Crédit Agricole CIB wanted to pursue its policy of recruiting junior roles and increased digital events to keep the link with students and graduates.

The Bank has an active policy to promote the professional integration of young people in France and worldwide. This continued in 2020 with the integration of 358 new interns, 192 work-study apprentices and 57 VIEs (International Volunteer in Business).

To ensure equality, 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.

In some of its locations, Crédit Agricole CIB 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, Hong Kong and Frankfurt.

Through its internships, work-study placements and VIE positions, Crédit Agricole CIB identifies the best potential employees and creates a Global Junior Pool. In 2020, the roll-out of this tool was launched in pilot mode in some of the Bank's offices in America and Asia. 56% of the junior permanent staff positions in France were filled by young people from this pool.

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 (*Association Française de Gestion*), which offers disabled people the chance to train for back-office jobs in capital markets, whilst also studying for a degree from *Université Paris Ouest Nanterre* in "Back & Middle Office Financial Asset Management".

▶ Trainees and workstudy trainees in France

Trainees and work-study trainees in France (average monthly full-time equivalent)	2020	2019
Work-studies trainees	281	277
Trainees	162	182
% of scope covered	**100%**	**100%**

◆ Employee involvement in schools and universities

The Bank ensures a strong presence in schools and universities to promote its activities and global network of expertise and to meet future employees. As such, in 2020, 70 digital forums were organised in partnership with schools and universities in many countries. In addition to virtual forums, Crédit Agricole CIB also organised more specific digital events such as conferences, case studies and after-work gatherings.

Close to 100 managers and employees joined the HR teams again in 2020 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 educational partnerships in many countries it is operating in.

In 2020, Crédit Agricole CIB renewed its partnership with *Université Paris Dauphine* for a period of 4 years, jointly with Amundi, Crédit Agricole Assurances and the CASA Social entity. The Bank also continued its efforts to support the student financial associations of engineering and business schools as well as universities, particularly by financing some of their events and projects.

Employee induction

In 2016, Crédit Agricole CIB rolled out its Global Induction Programme, to help new employees integrate into the company. The programme introduces them to the different Crédit Agricole CIB business lines and the Bank's culture.

The Crédit Agricole CIB intranet has a dedicated area wherein a large number of documents helping in 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 correct behaviours expected of them in regulatory matters. This step is vital to limit the Bank's risk exposure. Depending on the business line, new employees may also follow additional training courses linked to their activity. Optional modules are also available on the portal to help them successfully take up their new position.

During their first year within the Bank, new joiners are also invited to take part in an induction event 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 1,800 participants have taken part in this integration event, which, until now, had been conducted face-to-face. This global programme is now being digitalised and will be rolled out in its new version in 2021. It will bring together new joiners from all the Bank's regions.

Depending on their location and business line, new hires may also be invited to 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 new onboarding procedure enabling employees online access to their digital HR documents from both personal and professional computers. And in order to facilitate the search for information, the HR intranet in France has a chatbot which answers questions on leave, absences and withholding tax.

An entirely digital employer brand strategy

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.

To this end, an in-depth global review of the talent pool was carried out in 2020, with particular attention paid to diversity criteria.

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.

In particular, the Bank decided to extend the 2019-2020 class of the global mentoring programme until the end of 2020 to allow mentors and mentees to continue their conversations, despite the context. The aim of this system is to support around fifty employees, the mentees, identified by the business lines, in their professional development and to help them become more visible. This programme allows mentees to exchange and benefit from the experience of mentors, members of the Executive Committees and Business Line Management Committees, in a confidential and caring environment.

5.2. ORGANISATIONAL TRANSFORMATION TO REMAIN CLOSE TO THE CLIENT

Short decision-making chains

In 2020, Crédit Agricole CIB worked to simplify its organisation and processes to further strengthen its proximity to its clients. The governance of certain business lines has evolved, such as the function created within market and market IT activities. This change in organisation makes it possible to reposition technical and functional expertise at the centre of the process, to gain responsiveness on the implementation of projects impacting the entire value chain and to shorten decision-making. The simplification of hierarchy also facilitates better coordination of the teams so that they can meet the client's needs efficiently.

More agile spaces and working methods

In order to move towards greater flexibility, Crédit Agricole CIB began a new phase of transformation of its working methods by deploying its first Flex Office pilot in 2020.

At the end of 2019, the Bank's General Management asked for a study of a pilot project for transformation and dynamic development of workspaces. The Coverage teams in France were chosen to take part in this pilot. The project is part of the transformation initiated by this department in 2018 to create a unified Coverage division. It enables teams to be grouped into common, shared spaces that facilitate and stimulate exchanges and interactions between teams.

This project is based on two key principles: the participatory approach involving employees in defining their future spaces and supporting change to help teams adapt to these new working methods.

The practical work, as well as workshops and training dedicated to the teams concerned, took place until October 2020. Once employees return to the office, after this period of generalised remote working, Coverage employees will be able to move to their new spaces.

A work organisation adapted to the context of the health crisis.

The work from home agreement signed in France in late 2015 has enabled Crédit Agricole CIB to offer this new working practice. At 31 December 2019, almost 1,000 employees were working from home one day a week, even two days in some cases.

Internationally, London, New York and Frankfurt also launched a similar system in 2019.

In 2020, the massive use of remote working related to the health crisis confirmed Crédit Agricole CIB's ability to adapt its working methods to meet the needs of its clients and the economy while ensuring the protection of its employees. This large-scale experience draws on the discussions underway to establish, in collaboration with the Group, the framework of its future means of organising work at the end of this transition period.

5.3. A STRENGTHENED FRAMEWORK OF TRUST FOR MUTUAL COMMITMENT BY THE EMPLOYEE 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. The social climate within the Group is the result of an ongoing dialogue between management, employees and their representatives, when in place locally, while respecting the values fostered by the Group.

Mindful of maintaining an active and responsible social dialogue with employee representatives, on 31 July 2019 the Crédit Agricole S.A. Group entered into an international framework agreement with the UNI Global Union which 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 2020, in a period of unprecedented health crisis, the Bank brought 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 led to the signing of four collective agreements on the issue of remuneration and taking leave during the health crisis.

In parallel with traditional social dialogue bodies, a new meeting format has been put in place with staff representatives to keep links during the health crisis and keep staff representatives informed in real time of the company's decisions, thus promoting innovative, responsible and dynamic social dialogue.

▶ Number of signed agreements during the year in France by subject

	2020	2019
Salary and related	16	12
Training	0	0
Staff representation bodies	2	4
Employment	0	0
Working time	1	0
Diversity and professional equality	0	0
Other	6	5
Total	**25**	**21**
Business scope in France	**99%**	**99%**

5.3.2 Leveraging on diversity to be collectively stronger

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

In addition to being essential to reflect the diversity of its clients, this diversity is a performance and innovation factor for Crédit Agricole CIB, which operates in more than 30 countries, has 15 business lines, employees of 100 nationalities and a workforce more than 43.5% female.

This is why Crédit Agricole CIB has chosen to embed the diversity and inclusion of employees at the heart of its strategy.

This year, Diversity Week – which was first organised in 2013 – became Diversity Month and switched to a 100% digital format to adapt to the exceptional context of 2020. This initiative, rolled out in France and abroad, promotes diversity, notably through awareness-raising initiatives such as conferences, workshops and quizzes for the Bank's employees. During the 2020 edition, activities were offered both in Paris and across our main international sites as well.

Crédit Agricole CIB, as part of its Human Project, is also working to strengthen the inclusive dimension of all of its processes: recruitment, talent selection, succession plans and development programmes.

◆ 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 monitors gender distribution indicators regularly.

In France, Crédit Agricole CIB's gender equality Index was 85/100 in 2020.

For several years, Crédit Agricole CIB has implemented an action plan to promote gender equality in the workplace:

- the Bank ensures balanced job recruitment and equal pay, train employees in, and raise their awareness of, the principles of professional equality and non-discrimination, support women in the promotion of their careers particularly on their return to work after maternity leave. In light of the health situation, the negotiation of a new agreement is scheduled for 2021.
- the Bank supports its female talents, both in France and abroad, through a range of leadership development programmes. The objectives of these programmes are to provide them with the keys to strengthen their strategic positioning, develop their network and evolve within management bodies.
- In 2017, the Bank also launched its Corporate Mentoring Programme on a global scope, enabling CACIB's talents to be supported by members of the Executive Committees or Business Line and Country Management Committees. The aim of this experience-sharing programme is to promote greater diversity within the teams. As such, since its launch, Crédit Agricole CIB has set gender targets in the selection of "mentees" (136 "mentees" of which 60% women have participated in this programme). In addition, each year Crédit Agricole CIB employees are selected to participate in the Crédit Agricole Group mentoring programme.

Despite the health context in which the Bank has evolved this year, it was essential to ensure the continuity of the programmes in place, by adapting them, where possible, to a digital and remote format.

In line with these action plans and in order to accelerate the feminisation of its management bodies (Executive Committee and Management Committee, Circles 1 and 2) and to enrich succession plans, Crédit Agricole CIB conducted a global review of its strategic talent pool in 2020. Special attention has been paid to diversity criteria, particularly gender diversity, enabling 39.2% of women to be identified among these talents.

In order 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, work to harmonise the process of drawing up succession plans was carried out in 2020 to broaden the scope of identification of candidates and strengthen the collegiality of decisions.

As part of its policy to promote gender equality, Crédit Agricole CIB is also running parenting initiatives in France and worldwide. In France in 2020 some 14 female employees attended workshops on the topic of finding a balance between work and motherhood. Crédit Agricole CIB also offers its employees, 40 nursery places in partnership with the Babilou network of nurseries, and 36 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 220 nurseries for children from four months to three years, still run in partnership with the Babilou network.

A special attention is also paid to parenting initiatives across the Bank's various international locations. As such, this year, the duration of maternity leave was extended to 16 weeks in the framework of the international Group framework agreement signed with the UNI Global Union. In Japan, a 10-day adoption leave has been put in place and paternity leave in Japan and the United States has been extended from 3 to 10 days and from 2 to 4 weeks respectively

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

	2020		2019	
In %	%	Business scope	%	Business scope
Among all employees	44.2	100%	44.5	100%
Among permanent contract staff	38.6	100%	45.4	100%
Among CACIB Executive Committee	12.5	100%	1 over 8	100%
Among CACIB Management levels 1[1] and 2[1]	19.3	100%	17.9	100%
Among the top 10% of highest-earning employees in each subsidiary (fixed compensation)	19.7	98%	20.8	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.

◆ Raising awareness about non-discrimination

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 Work Behaviour Charter and regular initiatives to raise awareness about diversity have been in place at Crédit Agricole CIB for many years.

In order 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 equality, Crédit Agricole CIB has implemented mandatory digital training, "Recruiting without discriminating", for all human resources managers and employees involved in recruitment processes.

Human resources managers also received in-depth face-to-face training at the beginning of 2020.

◆ Disability policy

Since 2005, the 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 adjusts 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.

5.3.3 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

Crédit Agricole CIB has implemented a number of measures to achieve this goal, including the Work Behaviour Charter to raise awareness about, prevent and combat unacceptable behaviour such as discrimination, sexist behaviour, psychological or sexual harassment and violence at work. The charter is also intended to provide a common framework for identifying and handling these situations in the different locations.

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

This year, faced with the unprecedented situation, the Occupational Health Department, Human Resources, Communications and managers of Crédit Agricole CIB were highly involved in managing the challenges related to the health crisis and the protection of employees. In mid-March, exceptional measures were deployed to:

- provide local support to management and employees during the health crisis;
- define and communicate health protocols to ensure full ownership and compliance with barrier measures by employees;
- strengthen 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 link by communicating at each new phase of the crisis, proposing an HR Q&A detailing the work organisation measures and implementing surveys to enable employees to express their opinions on this unprecedented situation and share their best practices;
- appointment of a Covid representative within the Bank.

During this crisis, 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 for all functions that were able to do so. A specific system has also been put in place to ensure the protection of employees on site: 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.

In the United States, a digital application has been developed to enable on-site employees to check the list of symptoms to be monitored and the procedure to be followed in the event of their emergence.

Supporting employees in these unprecedented work situations

In order to provide additional support to employees in this change to working methods, many support systems have been rolled out, in addition to prevention and support actions carried out by the medical teams. Staff have been provided with guides and training to enable them to adapt their methods of communication and organisation to the context of remote working. In France and abroad, stress prevention modules have also been put in place and specific partnerships have been established to offer employees relaxation, meditation or yoga (Yogist) activities.

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 Psya 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.

Throughout the year, Crédit Agricole CIB also held events on health-related issues at its various locations: medical check-ups, free screening, blood donation and nutrition workshops. In France, 577 employees benefited from the flu vaccination campaign and 278 in the United States, while in Hong Kong 400 vaccination coupons were distributed to employees.

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.

Convinced that the donation of rest days is deeply embedded in the Bank's values and social issues, Crédit Agricole CIB has also set up a system for donating rest days to colleagues. A collective agreement was concluded in mid-2017, unanimously signed by the unions. While the legal scheme is currently authorised only to provide care for a child who is seriously ill, Crédit Agricole CIB plans to extend the donation of rest days to the employee's spouse or partner in a civil partnership and also considers the situation of employees' dependent parents. In 2020, 128.5 days were available and may be allocated to employees where necessary.

Moreover, as part of the efforts to prevent psychosocial risks, everyone within the company is encouraged to play an active role and report any difficulties that might be encountered by employees (senior management, managers, workplace health unit, social workers, human resources, employee representatives and employees).

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 2020, healthcare was at the heart of the challenges, which reflected in particular the evolution of the benefits offered by local health insurance in Hong Kong and Singapore, and the improvement of the annual health check in Korea.

Providing familiy protection in the event of death or work stoppage is also important to Crédit Agricole CIB which fully funds the arrangements put in place by its entities. Concerning pre-retirement, Crédit Agricole CIB was a forerunner for retirement planning in many countries with its employer assisted savings plan. 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, employees are regularly offered the opportunity to share in capital increase operations. In 2020, this programme covered 9 countries, including France, in which Crédit Agricole CIB is located.

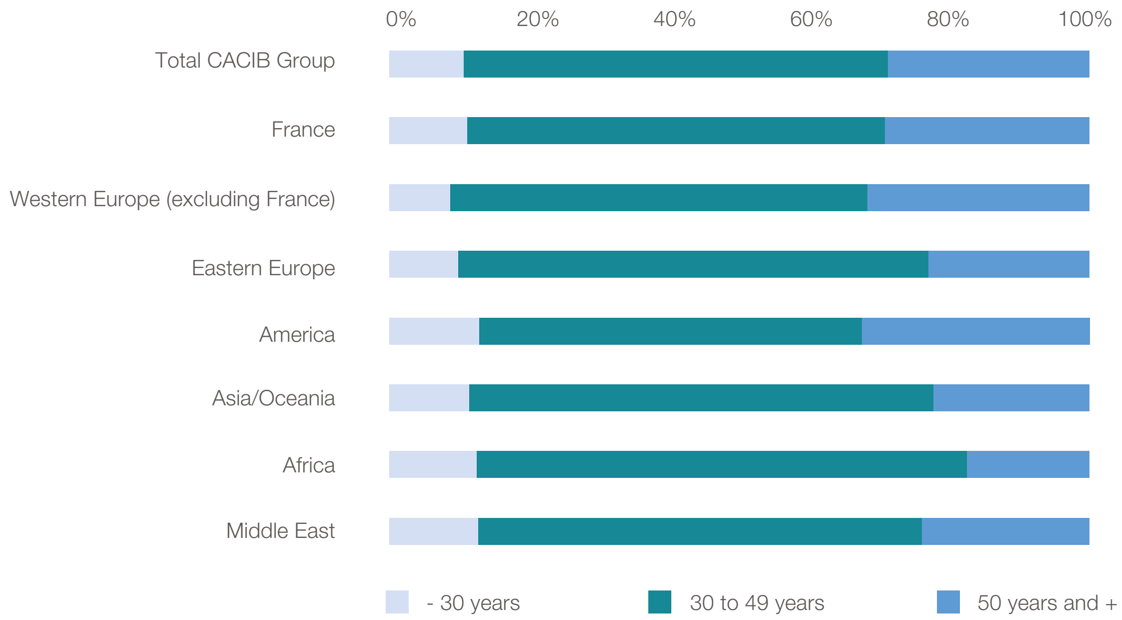
In addition, employees on international positions benefit from specific company benefits.

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.

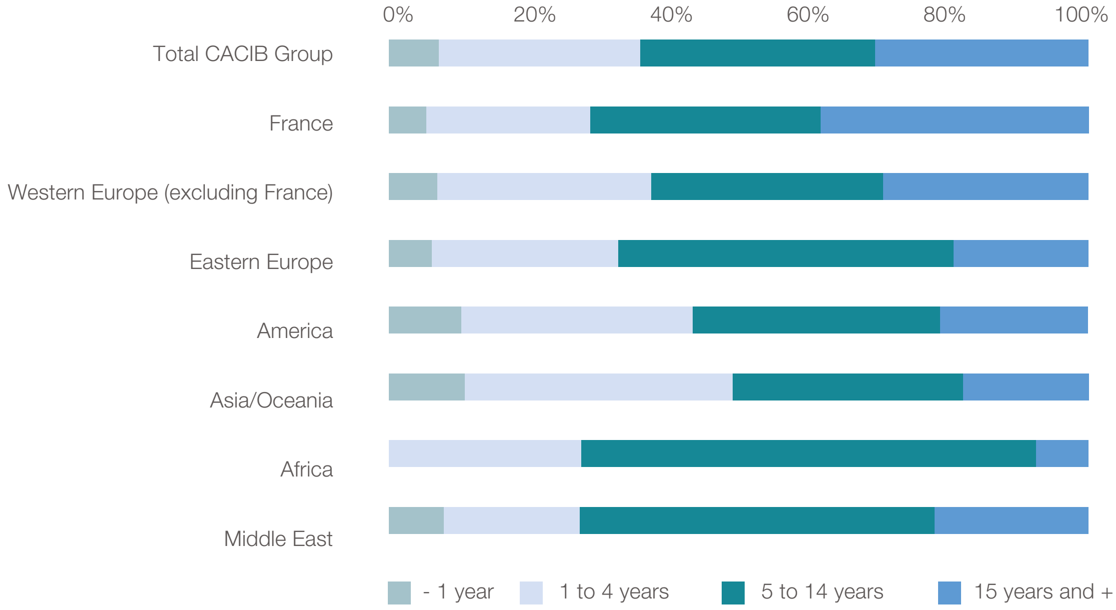
As part of its approach to continuous improvement of FReD, Crédit Agricole CIB is committed to strengthening its CSR commitments by involving all employees. In 2020, the Bank launched its Payroll giving initiative, offering employees (CDI, fixed-term and work-study employees) the ability to make a donation 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 2020, 301 employees participated in the salary donation scheme enabling the Bank to pay €18,257.59 to partner associations.

▶ Permanent staff by age in the Crédit Agricole CIB Group



▶ Permanent staff by length of service in the Crédit Agricole CIB Group



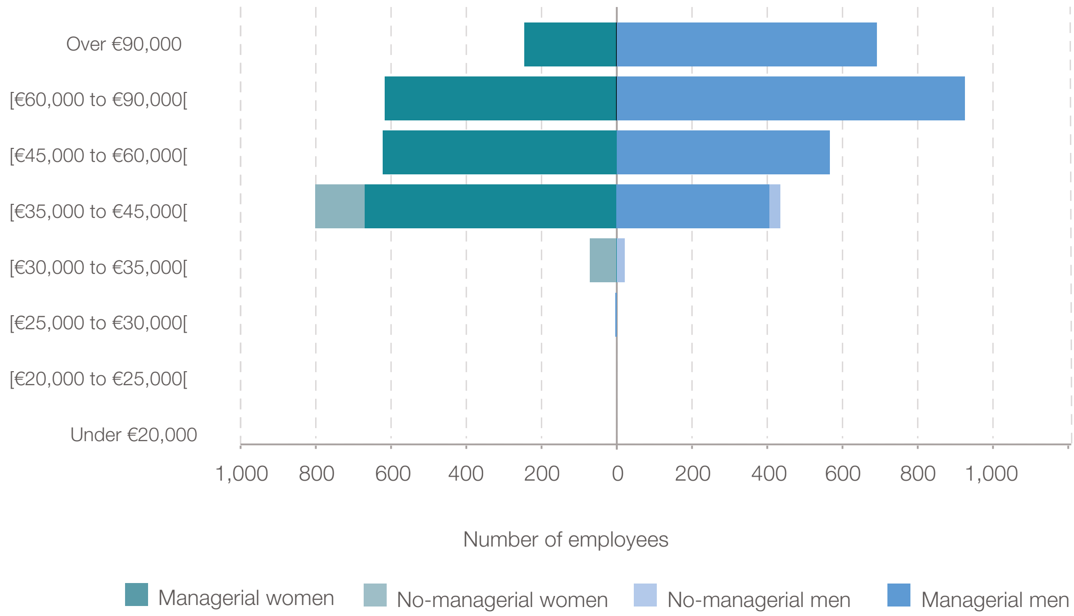
▶ Departures of permanent staff by reason

	2020				2019			
	France	International	Total	%	France	International	Total	%
Resignation	82	387	469	58.2	122	456	578	57.5
Retirement and early retirement	72	87	159	19.7	62	102	164	16.3
Redundancy	5	104	109	13.5	12	147	159	15.8
Death	-	3	3	0.4	-	5	5	0.5
Other reasons	33	33	66	8.2	48	51	99	9.9
Total	**192**	**614**	**806**	**100.0**	**244**	**761**	**1,005**	**100.0**
Business scope				**100%**				**99%**

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

	2020			2019		
	Total amount (in thousands of euros)	Number of beneficiaries	Average amount (euros)	Total amount (in thousands of euros)	Number of beneficiaries	Average amount (euros)
Employee profit sharing	941	537	1,751	1,699	537	3,163
Incentive plans	33,291	5,978	5,569	29,809	5,962	5,000
Employees savings plan top-up	16,028	5,488	2,921	16,094	5,620	2,864
Total	**50,260**	**-**	**-**	**47,602**	**-**	**-**
Business scope in France			**99 %**			**99 %**

▶ Annual fixed salary grid in France



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

In euros	2020	2019
Managers		
Men	6,821	6,637
Women	5,152	5,055
Global	6,063	5,910
Non-managers		
Men	2,967	2,908
Women	3,026	2,949
Global	3,014	2,940
Total		
Men	**6,745**	**6,539**
Women	**4,968**	**4,834**
Global	**5,906**	**5,719**
Business scope in France	**99%**	**99%**

▶ Absenteeism in France, in calendar days

	2020							2019		
	Managers		Non-managers		Total		Average number of absence days per employee	Total		Average number of absence days per employee
	Men	Women	Men	Women	Number of days	%		Number of days	%	
Illness	18,475	8,877	3,316	407	31,075	45.6	6.1	30,243	46.4	6.1
Accident in the workplace and during travel	1,024	103	98	0	1,225	1.8	0.2	1,059	1.6	0.2
Maternity. paternity. Breastfeeding	24,575	1,528	2,000	30	28,133	41.3	5.6	24,827	38.1	5.0
Authorised leave	3,341	2,176	419	45	5,981	8.8	1.2	7,245	11.1	1.5
Other	735	593	333	5	1,666	2.5	0.3	1,861	2.8	0.4
Total	**48,150**	**13,277**	**6,166**	**487**	**68,080**	**100.0**	**13.4**	**65,235**	**100.0**	**13.2**
Business scope in France							**99%**			**99%**

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

2

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 financer 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 2020 the Bank renewed its "Solidaires by Crédit Agricole CIB programme". The involvement of Crédit Agricole CIB employees during this health crisis was significant, through donations or volunteering and in accordance with barrier measures and the protection of everyone involved. In particular, the salary donation system was put in place in April 2020.

Solidarity initiatives in France and abroad

During regular events or ad-hoc 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 commit and help organizations 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. This year, due to the health context, this race turned into a virtual event. Employees of nine 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 5,285 kilometres thanks to the Decathlon Coach 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. 100% of these donations are 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 two conferences to demonstrate the importance of these donations in support of their project.

Through its "*Coups de Pouce*" programmes, the Bank provides financial support for charitable projects to which employees are personally committed. The designated fields of activity are social solidarity, social inclusion, the environment, education and health in France and abroad. In 2020, 16 employees in France and 12 abroad benefited from these "*Coups de Pouce*" to help carry out their projects.

In total, since 2013, 306 associative projects led by employees have been supported by the Bank (including 97 outside France).

In the United States, in the healthcare and medical research sector, Crédit Agricole CIB supports ALS Charity (Amyotrophic Lateral Sclerosis) and 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 WeR Family Foundation.

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

For Indosuez Wealth Management, 2020 was also very eventful:

- during the Covid-19 crisis, its employees committed to various social initiatives, which were most often local initiatives enabling them to be as close as possible to where there was need. Indosuez Wealth Management has partnered with Crédit Agricole CIB and CACEIS to organise a Crowdfunding initiative for AP-HP (Paris Hospitals). In Switzerland, a campaign to raise funds amongst employees was organised to support the *Chaîne du Bonheur*. The total donation was doubled by the Bank. End-of-year donations were made to the food bank and *Médecins sans frontières* (Doctors Without Borders) to support the organisation's actions in response to emergency situations. In Luxembourg, a campaign was held to donate paid leave to associations. In Italy, the donations of paid leave have benefited employees that were most affected by the crisis. Indosuez in Singapore supported migrant workers through the TWC 2 association (Transient Workers Count 2). In Hong Kong, Indosuez supported Feeding's food programme. In the Middle East, the Lebanese red cross benefited from a donation and parcels containing essential goods;

- since 2012 the Fondation Indosuez in France, under the auspices of the Fondation de France, has been involved in concrete charitable initiatives to support vulnerable people. Almost 80 associations have thus benefited from skills sponsorship and donations of professional time by more than one third of staff in France. The Indosuez Foundation in France has allocated 50% of its annual budget to associations in its portfolio, to help those most affected by the Covid-19 crisis. In Switzerland, the Indosuez Foundation – which aims to support projects impacting local communities through environmental projects, particularly in areas such as reforestation, agroforestry, water management, economic development and community awareness projects – continued its work in 2020. 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;
- for nine years in Switzerland and four in Monaco, Indosuez Wealth Management employees have been giving their time and skills to partner charities working in environmental and social sectors as part of the CITIZEN DAYS volunteer programme. In 2020, more than 130 employees in Switzerland helped 10 associations with which a total of 12 social and environmental projects were organised. In Monaco, the European Sustainable Development Week marked the resumption of the programme with the participation of 30 employees on 30 September;
- since 2016, CFM Indosuez, a subsidiary of Indosuez in Monaco, has been working alongside AMADE Mondiale to support access to education in Burundi and has also supported the association's "*Urgence Coronavirus*" operation;
- 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.

Actions in response to the health crisis

In light of the health situation, the Bank has launched numerous solidarity initiatives to help the poorest populations:

In France, Crédit Agricole CIB supported the *Fondation Crédit Agricole Solidarité et Développement* (Solidarity and Development Foundation), which created a solidarity fund to finance essential measures for elderly people to protect them and allow them to maintain their ties with their loved ones.

The Bank also supported the Simplon Foundation and its "*#Gardons Le Lien*" (maintain a link) project to help combat the isolation of patients in hospitals and residents of medical and social facilities.

Finally, crowdfunding has been put in place to support APHP (Paris hospitals) to help with research into Covid-19. Donations made by employees were topped up by the Bank.

Internationally, Crédit Agricole CIB wanted to support vulnerable populations during this health crisis through donation programmes and participatory fundraising campaigns.

6.3. CULTURAL SPONSORSHIP

- Crédit Agricole CIB France continues to actively pursue a policy of cultural sponsorship by supporting projects that encourage artistic creation, the discovery of the world's cultures and the transmission of cultural heritage. Despite this year's complex public health situation, Crédit Agricole CIB decided to maintain its commitments to all the institutions that the Bank sponsors:
- the Paris Opera,
- the Aix en Provence Festival,
- les *Arts Florissants,*
- the *Abbaye aux Dames,*
- and the *Musée de la Vie Romantique* (Museum of Romantic Life).

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 as 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.
- One of the solid achievements of this research is the P9XCA methodology referred to previously. 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 Greenhouse gas emissions.
- A new PhD, overseen by the Chair, was undertaken in 2018 on the subject of the climate risks which could affect banks, particularly in relation to the assessment of scenarios and country risk. This work focuses in particular on the assessment of transition risk by each country based on quantitative data and qualitative analyses. This analysis aims to go beyond the contributions takin 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.

7. LIMITING OUR DIRECT ENVIRONMENTAL IMPACT

7.1. BUILDINGS AND CARBON FOOTPRINT MANAGEMENT PROCESS

Certification of buildings

On the Montrouge and Saint-Quentin-en-Yvelines campuses, the buildings have "HQE Exploitation" (High environmental quality - operations) certification. The Montrouge campus has obtained the BiodiverCity® Life label.

Internationally, the site in Brazil in Sao Paulo has been awarded Leed Gold Certification.

Offsetting of operational greenhouse gas emissions

Lastly, Crédit Agricole CIB offset 21,000 tonnes of CO_2 equivalent by cancelling Verified Carbon Units (VCU) certificates corresponding to dividends received in 2020 in connection with its investment in the Livelihoods Fund. The Carbon Investment Fund Livelihoods gives investors carbon credits which have a major social impact and help to promote biodiversity. The Fund also finances largescale projects in the areas of reforestation, sustainable agriculture and clean energy generation. These projects are implemented for and by deprived rural agricultural communities in developing countries in Asia, Africa and Latin America.

The certificates received for 2020 come from three projects:

- in Senegal with the Senegalese NGO Océanium to restore mangrove forests, whose disappearance increases the salinity of water until nothing can grow. The 80 million trees to be replanted allow additional production of up to 18,000 tonnes of fish per year and promote the development of shrimps, oysters and molluscs. This mangrove reforestation project, the largest in the world, will enable 500,000 tonnes of CO_2 equivalent to be stored over the 20-year duration of the project. In addition, this project is unique due to the exceptional level of social mobilisation achieved, with the involvement of 100,000 inhabitants of 350 local villages.
- 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.
- Finally, 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. This will save 13,000 tonnes of wood and avoid emissions of more than 1 million tonnes of CO_2 over the 10-year duration of the project.

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, sorting and recycling of waste (paper/card, tins, plastic, ordinary industrial waste and maintenance waste), eco-products for interior maintenance, and limitation of food waste (display, self-service for fruit and vegetables). Actions to raise awareness amongst employees are also regularly organised (energy saving, waste management).

In 2020, additional actions were put in place: complete removal of plastic cups, replacement of plastic bottles and containers with glass bottles and containers, opening of a waste sorting centre on the Saint-Quentin-en-Yvelines campus.

On a worldwide scale, data collection on recycling could still be improved. Action plans are, however, implemented in the various Crédit Agricole CIB entities. Like France, Germany replaced plastic bottles with glass bottles and installed water fountains.

The Covid-19 pandemic has shown an extremely significant reduction in the quantity of waste due to global lockdowns. An overall decrease of 42%, representing nearly 448 tonnes, is reported. The biggest decreases are in terms of the quantity of paper and cardboard thrown away (55%), as well as with the 70% decrease in recycled food waste.

Specific sorting bins were installed on the campuses in order to recycle disposable masks and turn them into raw materials.

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. For example, Crédit Agricole Indosuez Switzerland has set up waste sorting stations and removed individual bins.

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.

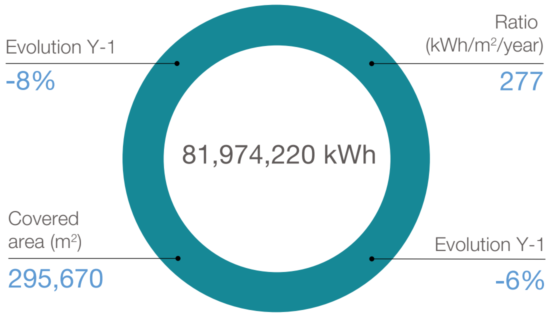
7.3. SUSTAINABLE USE OF RESOURCES

Energy

The indicators relate to consumption of electricity and gas:

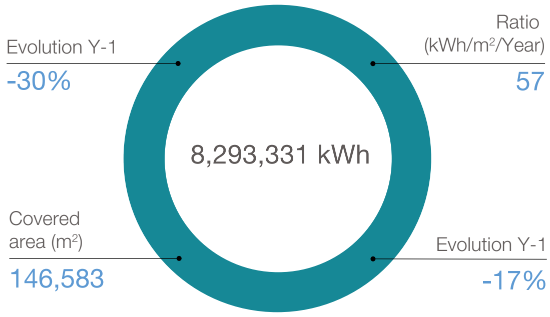
▶ **Electricity in kW h**

2020 consumption of 81,974,220 kW h.



▶ **Gas in kW h**

2020 consumption of 8,293,331 kW h.



ELECTRICITY

Crédit Agricole CIB has been tracking the electricity consumption of all Crédit Agricole CIB Group entities, including Indosuez Wealth Management entities, data centers and remote sites in the Paris region. Out of a total of approximately 295,670 sq. m, the consumption of electricity was collected over a little more than 284,000 sq. m, equating to a coverage rate of 96.10%.

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. Almost 18% of electricity consumption worldwide is "green" (E.g. London, Madrid, Brazil, Nordic countries, etc.).

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

Crédit Agricole CIB reports on the consumption of gas of all Crédit Agricole CIB Group entities, including those of Indosuez Wealth Management.

For Crédit Agricole CIB Ile-de-France, initiatives are regularly put in place to limit consumption. At the end of 2019, measures to optimise operation were implemented at the Eole building on the Montrouge campus by resuming heat recovery from cooling units.

Following the Covid-19 pandemic, the temporary shutdown several buildings as well as some communal areas, such as company cafeterias, led to a 30% drop in consumption.

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 23% drop in consumption was recorded in 2020.

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. With the implementation of the environmental charter to minimise water use, London has seen a 60% decrease.

Due to the low occupancy of premises during the Covid-19 pandemic, a 43% decrease in water consumption was recorded on campuses in Ile-de-France. Globally, there is a 29% decline.

Paper

The introduction of widespread teleworking across our our Parisian campuses since the first lockdown has also had an impact on paper consumption. We recorded a reduction in consumption of 100 tonnes, which represents a decrease of 38%. Internationally, we saw a 27% decline, equating to nearly 46 tonnes.

7.4. TRAVEL FOOTPRINT

Transport was particularly impacted around the world by the Covid-19 pandemic during 2020. A decrease of more than 82% in air travel and 68% in train travel is reported.

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. In addition to the specific reserved spaces, a carpooling solution has been put in place. 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.

Germany has installed charging stations for electric vehicles in its car parks.

The Covid-19 pandemic has forced us to adapt to a new way of working and communicating. Business trips were replaced by Skype meetings, videoconferencing, and webinars, which significantly reduced Crédit Agricole CIB Group’s carbon footprint.

3

CORPORATE GOVERNANCE

3

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C

EXECUTIVE COMMITTEE OF CRÉDIT AGRICOLE CIB ON 31 DECEMBER 2020

1

CHIEF EXECUTIVE OFFICER

As of 1st January 2021, the Executive Committee is composed by:

- **the Chief Executive Officer**
- **three deputy Chief Executive Officers**
- **and three deputy General Managers***

** A fourth deputy General Manager will join the Executive Committee on 1st April 2021*

1

DEPUTY CHIEF EXECUTIVE OFFICER

1

DEPUTY GENERAL MANAGER

5

HEADS OF BUSINESS LINES AND SUPPORT FUNCTIONS

THE BOARD OF DIRECTORS

6

BOARD MEETINGS

in 2020

4

SPECIALISED COMMITTEES

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

98.2%

ATTENDANCE RATE

at the meetings in 2020

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, this report 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 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 inside the Company.

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 9 February 2021.

As a preliminary, you are reminded that Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) applies the AFEP-MEDEF Corporate Governance Code, updated in January 2020.

This document is available online on the following sites: http://www.afep.com or http://www.medef.com/fr/

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

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

The Board of Directors decided to separate these functions in May 2002, in accordance with Article 13, paragraph 5, of the Company's Articles of Association (see section 8 of the Universal Registration Document) and in accordance with the provisions of French Law No. 2001-420 of 15 May 2001 on new economic regulations. This choice followed the decision of May 2002 General Meeting to change the the Company's organisation model 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.

The separation of these functions complies with the provisions of Article L. 511-58 of the French Monetary and Financial Code, which stipulates that the position of Chairman of the Board of Directors of a credit institution may not be held by the Chief Executive Officer.

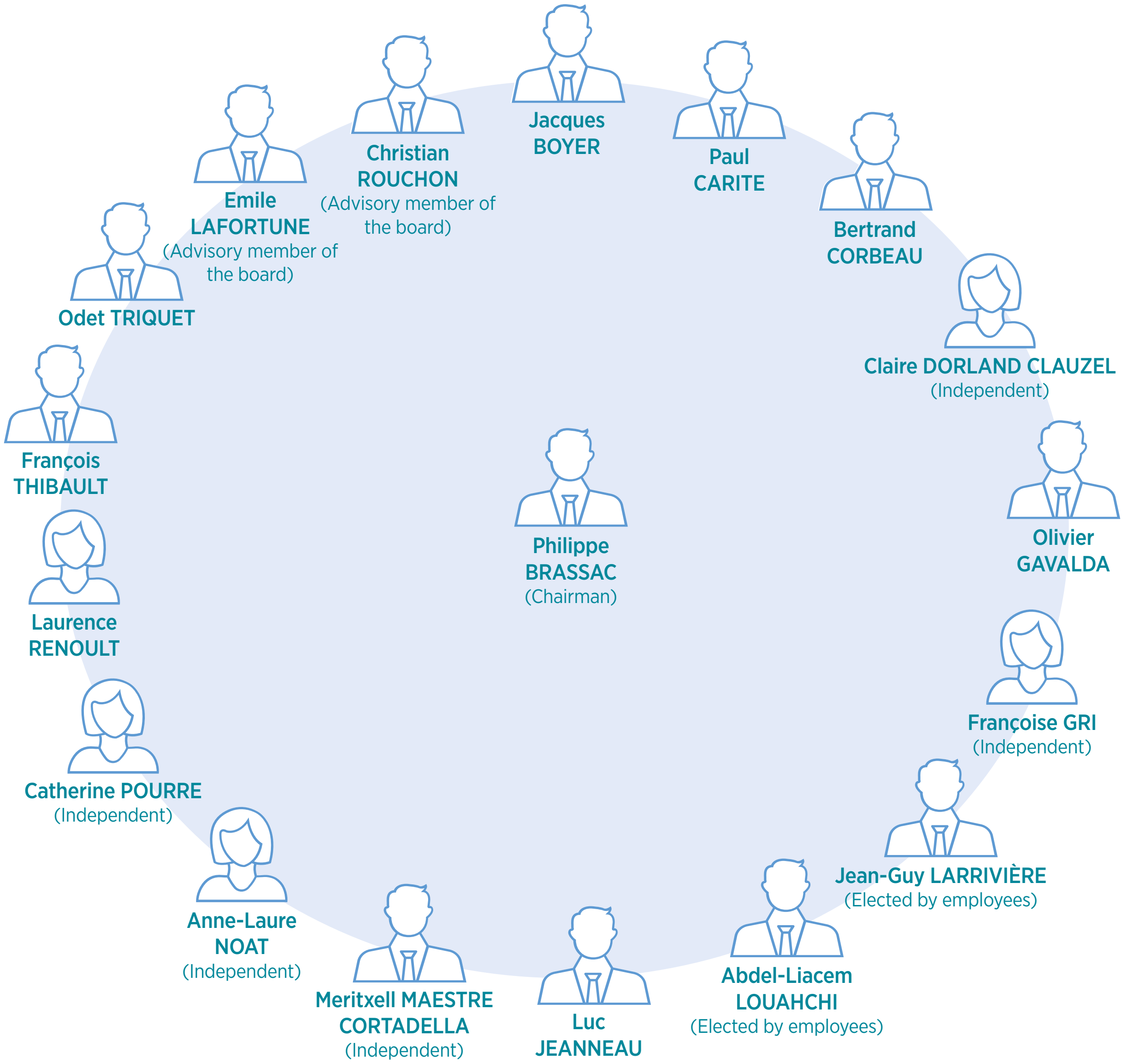
Mr Philippe Brassac was appointed as the Chairman of the Board of Directors from 20 May 2015. His mandate was renewed for the duration of his director mandate by the Board of Directors meeting on 7 May 2019, i.e. until the conclusion of the Ordinary General Meeting which will rule on the financial statements for 2021 financial year.

In accordance with Article 15 of the Company's Articles of Association (see section 8 of the Universal Registration Document), the Chairman of the Board of Directors organises and directs the Board's work and ensures that the Company's bodies function correctly and, in particular, that the Directors are able to perform their missions. In general, the Chairman possesses all the powers attributed to him by the legislation in force.

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

1.1.2 Composition of the Board of Directors

Composition of the Board of Directors as at 31 December 2020



REMINDER OF THE ARTICLES OF ASSOCIATION

The Company's Articles of Association (see section 8 of the Universal Registration Document) stipulate that the Board of Directors must consist of between six and twenty Directors: at least six appointed by the General Meeting of Shareholders and two elected by employees in accordance with Articles L. 225-27 to L. 225-34 of the French Commercial Code.

The term of office of the Directors appointed by the General Meeting is three years (Article 9 of the Articles of Association).

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 birthday in question. However, as an exceptional measure, 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 (Article 10 of the Articles of Association).

The two Directors representing the employees are elected for a period that expires the same day: either at the end of the Annual General Meeting of Shareholders held in the third calendar year following that of their election, or at the end of the electoral process organised during this third calendar year if the process occurs after the General Meeting (Article 9 of the Articles of Association).

The following individuals may also attend meetings of the Board of Directors in an advisory capacity:

- the Advisory member(s) of the board designated by the Board of Directors in accordance with Article 17 of the Articles of Association;
- one member of the Economic and Social Committee, appointed by said Committee.

Changes to the composition of the Board in 2020

Directors	End of term of office	Reappointment	Appointment
Jacques BOYER		AGM of 4 May 2020	
Paul CARITE		AGM of 4 May 2020	
Bertrand CORBEAU[1]	31 December 2020		
Marie-Claire DAVEU	AGM of 4 May 2020		
Claire DORLAND CLAUZEL		AGM of 4 May 2020	
Françoise GRI		AGM of 4 May 2020	
Luc JEANNEAU		AGM of 4 May 2020	
Jean-Guy LARRIVIERE [2]			25 November 2020
Abdel-Liacem LOUAHCHI [2]			25 November 2020
Anne-Laure NOAT		AGM of 4 May 2020	
Meritxell MAESTRE CORTADELLA			AGM of 4 May 2020

[1] Mr Bertrand Corbeau submitted his resignation to the Board of Directors with effect from 1 January 2021. He was replaced by Mr Michel Ganzin on 1 January 2021.
[2] Messrs Jean-Guy Larrivière and Abdel-Liacem Louahchi were elected employee Directors on 25 November 2020 following the electoral process organised in accordance with the Articles of Association and Articles L.225-27 et seq. of the French Commercial Code. They replace Messrs Jean de Dieu Batina and Lahouari Naceur.

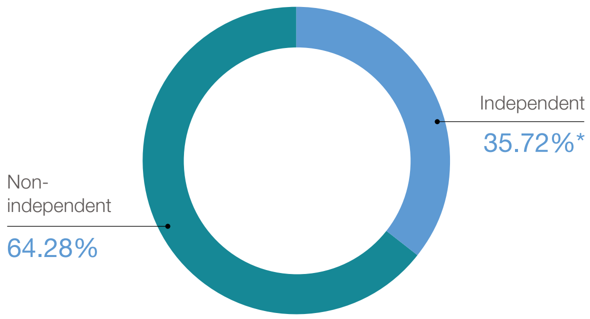
At 31st December 2020, the average age of the Directors on the Crédit Agricole CIB Board of Directors was 58.

Directors and Advisory member(s) of the board at 31 December 2020

Directors/Advisory member(s) of the board at 31 December 2020	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 AGM	
Jacques BOYER	4 May 2018	4 May 2020	2021 AGM [3]	Member of the Audit Committee
Paul CARITE	7 May 2019	4 May 2020	2023 AGM	Member of the Risk Committee
Bertrand CORBEAU [5]	9 May 2016 [1]	4 May 2018	2021 AGM	
Claire DORLAND CLAUZEL [3]	9 May 2016	4 May 2020	2021 AGM	Chairwoman of the Appointments and Governance Committee Member of the Audit Committee and the Compensation Committee
Olivier GAVALDA	4 May 2018	7 May 2019	2022 AGM	Member of the Audit Committee
Françoise GRI	4 May 2017	4 May 2020	2023 AGM	Member of the Risk Committee
Luc JEANNEAU	4 May 2017	4 May 2020	2023 AGM	Member of the Appointments and Governance Committee Member of the Compensation 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 AGM	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 AGM	Chairwoman of the Risk Committee and the Compensation Committee Member of the Audit Committee
Catherine POURRE	4 May 2017	4 May 2018	2021 AGM	Chairwoman of the Audit Committee Member of the Risk Committee
Laurence RENOULT	7 May 2019		2022 AGM	
François THIBAULT [3]	11 May 2010	7 May 2019	2022 AGM	Member of the Risk Committee
Odet TRIQUET	4 May 2018		2021 AGM	
Émile LAFORTUNE (Avisory member to the board)	4 May 2020[2]		2023	
Christian ROUCHON (Avisory member to 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 Mrs Claire Dorland Clauzel and Messrs Jacques Boyer and François Thibault have reached the age limit for Directors (Article 10, paragraph 1 of the Articles of Association), their term as Directors will expire on the 3rd Mai 2021 General Meeting.
[4] Director elected by employees.
[5] Mr Bertrand Corbeau submitted his resignation to the Board of Directors with effect from 1 January 2021. He was replaced by Mr Michel Ganzin on 1 January 2021.

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



* Percentage calculated 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 9 February 2021. Based on the information available, there were five Independent Directors at 31 December 2020: Mrs Dorland Clauzel, Gri, Maestre Cortadella, Noat and Pourre.

At 31 December 2020, 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 S.A. Group are not considered to be independent because of their functions inside the Group.

3

▶ Table of Independent Directors (AFEP-MEDEF criteria)

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

31 December 2020 (revised on 9th February 2021)	Criterion [1]	Criterion [2]	Criterion [3]	Criterion [4]	Criterion [5]	Criterion [6]	Criterion [7]	Possibilities [8 (b)]
Mrs DORLAND CLAUZEL	✓	✓	✓	✓	✓	✓	✓	
Mrs GRI	x*	✓	✓	✓	✓	✓	✓	*(*) 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 8 b) below, decided that Mrs Gri could be considered as independent.*
Mrs MAESTRE CORTADELLA	✓	✓	✓	✓	✓	✓	✓	
Mrs NOAT	✓	✓	✓	✓	✓	✓	✓	
Mrs POURRE	x*	✓	✓	✓	✓	✓	✓	*(*) 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 8 b) below, decided that Mrs Pourre could be considered as independent.*

[1] see § 9.5.1 of the AFEP-MEDEF Code
Is not currently nor has been in the last five years:
- an employee or Executive Corporate Officer of the Company;
- an employee, Executive Corporate Officer or Director of a company consolidated by the Company;
- an employee, Executive Corporate Officer or Director of the parent company of the Company or of a company consolidated by that parent company.

[2] see § 9.5.2 of the AFEP-MEDEF Code
Is not an Executive Corporate Officer of a company in which the Company, directly or indirectly, acts as a Director or in which an employee designated as such or an Executive Corporate Officer of the Company (currently or in the last five years) is a Director.

[3] see § 9.5.3 of the AFEP-MEDEF Code
Is not a client, supplier, corporate banker, investment banker or advisor:
- who plays a significant role in the Company or its Group; or for whom the Company or its Group represents a significant proportion of business.

[4] see § 9.5.4 of the AFEP-MEDEF Code
Has no close family relationship with a Corporate Officer.

[5] see § 9.5.5 of the AFEP-MEDEF Code
Has not been a Statutory Auditor of the Company in the last five years.

[6] see § 9.5.6 of the AFEP-MEDEF Code
Has not been a Director of the Company for more than 12 years. Loss of Independent Director status occurs on the 12th anniversary date.

[7] see § 9.6 of the AFEP-MEDEF Code
A Non-Executive Corporate Officer may not be deemed an independent if he or she receives variable compensation in cash or in the form of shares or any other compensation related to the performance of the Company or Group.

[8] Possibilities:
[(a)] 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 and Governance 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);
[(b)] 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 (Mrs Gri and Mrs Pourre) was examined with respect to the first criterion.

Mrs Gri and Mrs Pourre are Directors of Crédit Agricole S.A.. The Appointments and Governance Committee and the Board of Directors 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.

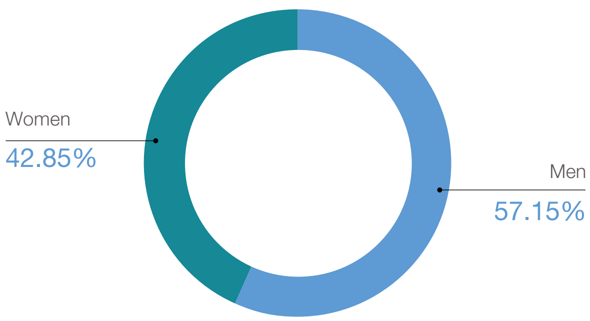
The situation of the five female Independent Directors was examined with regards to the third criterion.

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 the Company, are not considered to be suppliers or significant advisors of the Company, or that the commercial NBI realised by Crédit Agricole CIB with these entities is insignificant and unlikely to jeopardise their independence. The review was performed particularly for CVC Capital Partners (Mrs Maestre Cortadella), for Eurogroup Consulting (Mrs Noat), for Edenred and WNS Services (Mrs Gri) and for SEB and Bénéteau (Mrs Pourre).

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

1.1.3.1 DIVERSITY WITHIN THE BOARD OF DIRECTORS

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



At 31 December 2020, 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.

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 Corporate and Investment Bank was 42.85%. The Bank 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.

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 (EBA/GL/2017/12 of 21 March 2018), 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 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 to find the best Director candidates will be done in particular by gathering suggestions from the members of the Board 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 (a third of board members) pursuant to the AFEP-MEDEF Code.

Note that 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 have at least two Directors elected by employees and that Article 17 of the Articles of Association (see section 8 of the Universal Registration Document) of the Company allows for the appointment of one or more Advisory member(s) of the board. These provisions help to enhance diversity within the Board of Directors.

Messrs 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 section 8 of the Universal Registration Document).

Messrs Emile Lafortune and Christian Rouchon were appointed as Advisory member(s) of the board by the Board of Directors, the first on 4 May 2020 and the second on 7 May 2019, for a period of three years each, in accordance with the provisions of Article 17 of the Company's Articles of Association (see section 8 of the Universal Registration Document) to support the development of Crédit Agricole CIB's relations with the Regional Banks, particularly with regard to the monitoring of Intermediate-Sized Enterprises (ISE).

Fifteen of the Company's Directors are French nationals, and one Director is an Andorran national, making the Board of Directors more international.

1.1.3.2 DIVERSITY WITHIN THE DECISION-MAKING 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.

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

At 31 December 2020, women accounted for 43.9% of the global workforce and 32.8% of Crédit Agricole CIB managers. The Executive Committee and the Management Committee were made up of 12.5% and 14.8% 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 25 people, is 12%, and Circle 2, comprising 135 people, is 20.7%.

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:

- 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 women in the promotion of their careers particularly on their return to work after maternity leave renewed in 2016 in France for a period 3 years. Given the public health situation, the negotiation of a new agreement is planned for 2021.
- 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", which has a global scope, enabling talented Crédit Agricole CIB staff to be supported by members of business line and country Executive Committees or Management Committees. This experience-sharing programme's aim is to promote greater diversity within the teams. As such, since its launching, Crédit Agricole CIB has set gender equality targets for mentee selection (136 mentees, 60% of whom are women, have participated in this programme). In addition, each year female Crédit Agricole CIB employees 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 Week, which became Diversity Month in 2020, 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.

In line with these action plans, and in order to accelerate the feminisation of its management bodies (EXCOM and MANCOM, Circles 1 and 2) and enhance its succession plans, in 2020 Crédit Agricole CIB conducted a global review of its strategic talent pool. Special attention was paid to diversity criteria, and particularly gender diversity, ensuring that 39.2% of the talented staff identified were women.

In order to meet the targets set by Crédit Agricole S.A., Crédit Agricole CIB aims to achieve 50% women and 40% non-French nationals in this pool by the end of 2022.

Work was also carried out in 2020 to harmonise the process of producing succession plans, so as to broaden the scope for the identification of candidates and strengthen the collegial nature of decisions.

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 score was 85/100 for 2020.

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 2020 and evolution from 1st January 2021

	First appointment	Last reappointment	End of term of office
Jacques RIPOLL Chief Executive Officer	1 November 2018		Indefinite
François MARION* Deputy Chief Executive Officer	18 May 2016	1 November 2018	1 January 2021

**At its meeting on 10 December 2020, the Board of Directors recorded the resignation of Mr François Marion as of 1 January 2021. Three Deputy Chief Executive Officers were appointed as of 1 January 2021.*

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

As of 1 January 2021, the General management organisation has been changed as follows:

	First appointment	Last reappointment	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 BÉLORGEY 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 regulations 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 point 1.2.2.

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 taken, 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 the Company's strategic decisions, or that may affect or alter its financial structure or scope of activity, to the Board of Directors, requesting instructions. In addition, as mentioned in the "Powers of the Board of Directors" in point 1.2.2, 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 AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

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

1.2.1 Mode and frequency of the Board of Directors

The Articles of Association (see section 8 of the Universal Registration Document) state that the Board of Directors shall meet as often as the interests of the Company require, at the request of the Chairman or at least one third of the Directors. The Board's rules of procedure state that, unless otherwise decided by the Chairman, the Board 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 section 8 of the Universal Registration Document) and that, in accordance with the 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 strategy and the Company's general policies. It 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. The Board of Directors rules on all the questions connected with the Company'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, it 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 by means 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 the Company's commitments (except for financial market transactions), when the guarantee concerns Company assets with a value of more than €50 million.

In addition, on the proposal of the Chief Executive Officer and/or the Deputy Chief Executive Officers, the Board of Directors authorises the purchase or sale of real estate made in the name or on behalf of the Company, when the amounts of these transactions exceed €30 million.

The Board of Directors 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

In order to enable the Secretary of the Board of Directors to prepare for Board meetings, an internal governance document sets out the conditions of intervention of, and the means of referral to the Board. 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.

The Board of Directors' rules of procedure specify the roles of the Board's 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".

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 concerned by the agreement do not take part in the deliberations and the voting. Information relating to the 2020 agreements (new agreements, concluded and authorised, as well as those entered into previously which continued in 2020) is sent to the Statutory Auditors, who will present their special report to the General Meeting of Shareholders. This report is presented on page 441 of the Universal Registration Document. At its meeting on 9 February 2021, the Board reviewed the related-party agreements entered into previously and still in force in 2020, 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 2020

The Board of Directors met six times during the 2020 financial year.

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

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

The principal matters examined during these 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 the Company's commercial activity, and a presentation on the 2021 budget.

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 2019 financial year and examined the half-yearly and quarterly results during 2020. 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 the Company 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 the Company 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 (Group 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 2021 audit plan;
- the letters 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, the Company's risk strategies approved by the Strategy and Portfolio Committee (CSP) or 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 in the Modern Slavery Act 2015;
- internal control reports (corporate and consolidated) dedicated to the fight against money laundering and the financing of terrorism.

Several items were presented to the Board of Directors on the organisational measures taken given the Covid-19 public health crisis. Presentations on specific stress tests were also proposed to the Board of Directors.

CONCERNING GOVERNANCE, COMPENSATION AND HUMAN RESOURCES

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

- examined the candidatures of three new Deputy Chief Executive Officers;
- reviewed its composition as well as that of the Specialised Committees;
- put forward the appointments of new members of the Board 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;
- performed a self-assessment of the functioning of the Board of Directors and examined the self-assessment of the individual and collective skills of the members of the Board and the independence, potential conflicts of interest, reputation and good character 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.

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

- ended the compensation of the Deputy Chief Executive Officers;
- approved the budget for the variable compensation of the employees;
- approved the Company's compensation policy;

- examined the report required by the French Prudential Supervision Authority presenting information regarding the Company's compensation policy and practices;
- acknowledged the social audit and the international workforce statistics;
- reviewed the methodology for determining identified staff and the results concerning this group;
- deliberated on the Company's policies on gender equality and equal pay;

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

It was informed of the appointment of the new Chief Compliance Officer and the Corruption Prevention Advisor. With regard to CSR, an update was presented on the implementation at Crédit Agricole CIB level of the Crédit Agricole Group's societal project.

It regularly reviewed the list of people authorised for bond issues and ended 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 related-party agreements concerning:

- an amendment to the Shareholders' Agreement relating to CA-GIP's governance rules;
- an amendment to the business transfer agreement relating to the transferring of the activities of Crédit Agricole S.A.'s Banking Services Division (DSB) to Crédit Agricole CIB;
- the commitments made to the Deputy Chief Executive Officers.

Detailed information about regulated agreements is presented by the Statutory Auditors in their special report in Chapter 8 of the 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 2020.

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 2020. The findings of this assessment presented to the Board of Directors show that:

- all the areas of expertise, both banking and non-banking, are covered;
- the Board has extensive expertise in the following areas: banking activities, legal and regulatory requirements, bank governance, risk management, corporate management, the interpretation of financial information and strategic planning.

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

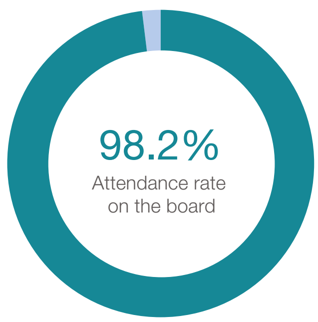
A self-assessment of the performance of the Board of Directors was conducted during 2020, based on an individual questionnaire consisting of 67 questions sent to each Board member. The questions concerned in particular: the organisation of the Board, its operation, its composition and the quality of relationships within it, the work of the various Board Committees, and the training and information provided for the Directors. This year, additional questions were asked focused on the functioning of the Board of Directors during the public health crisis (Covid-19). The self-assessment was administered by the Appointments and Governance Committee and presented to the Board.

The responses helped to:

- identify a number of strengths in the following areas:
  - the organisation of the Board of Directors (quality of summary presentations and method of transmission of preparatory documents);
  - the composition of the Board of Directors and the quality of relationships (transparency of information and quality of the relationship between the Board of Directors and the Executive Management);
  - the functioning of the Board of Directors (functioning of the Board in terms of strategy, Directors' attendance, freedom to express opinions during discussions and the functioning of the Board of Directors during the public health crisis);
  - the work done by the Board's various Committees (quality of the documents received and the availability of contacts in particular);
- highlighting the progress made in 2020 in certain areas such as the time taken to transmit preparatory documents and the functioning of the Board of Directors in terms of investment/divestment decisions.

The guidelines adopted by the Board for 2021 following the self-assessment of the functioning of the Board include the continuation of efforts undertaken in terms of knowledge and sharing of Crédit Agricole CIB's strategy, the training of Directors and the summarising of topics to allow more time for discussion.

▶ Rate of attendance 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 98.2% for all Board meetings in 2020.

▶ Attendance rate of Directors comprising the Board

	Number of Board meetings that the Director should have attended in 2020	Number of Board meetings attended by the Director in 2020	Attendance rate
Philippe BRASSAC	6	6	100.00%
Jean de Dieu BATINA [3]	5	5	100.00%
Jacques BOYER	6	6	100.00%
Paul CARITE	6	6	100.00%
Bertrand CORBEAU	6	4	66.66%
Marie-Claire DAVEU [1]	2	2	100.00%
Claire DORLAND CLAUZEL	6	6	100.00%
Olivier GAVALDA	6	6	100.00%
Françoise GRI	6	6	100.00%
Jean-Guy LARRIVIERE [3]	1	1	100.00%
Abdel-Liacem LOUAHCHI [3]	1	1	100.00%
Luc JEANNEAU	6	6	100.00%
Meritxell MAESTRE CORTADELLA [2]	4	4	100.00%
Lahouari NACEUR [3]	5	5	100.00%
Anne-Laure NOAT	6	6	100.00%
Catherine POURRE	6	6	100.00%
Laurence RENOULT	6	6	100.00%
François THIBAULT	6	6	100.00%
Odet TRIQUET	6	6	100.00%

[1] *The term of office of Mrs Marie-Claire Daveu ended on 4 May 2020*
[2] *Mrs Meritxell Maestre Cortadella was appointed as a Director by the Ordinary General Meeting of 4 May 2020.*
[3] *Pursuant to Article L. 225-34 of the French Commercial Code and given the results of the electoral process carried out in 2020, Messrs Jean-Guy Larrivière and Abdel-Liacem Louahchi were elected employee Directors as of 25 November 2020. They replace Messrs Jean de Dieu Batina and Lahouari Naceur.*

1.2.6 Training for 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 the Company, 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 Finance and Procurement Chief Officer, the Chief Compliance Officer and the Head of Human Resources.

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

In addition to the programme established for new Directors, training measures for all Directors continued during the 2020 financial year. A seminar for Directors, held in September 2020, provided an opportunity to gain a better understanding of the expectations of the Bank's clients by meeting the Chief Executive Officer of one of Crédit Agricole CIB's largest clients and to improve knowledge of the Bank's activities and strategy. A technical training session on liquidity risk indicators, value adjustments and compliance took place in October 2020. Directors also benefit from permanent access to an e-learning programme offering various courses on the theme of compliance.

In addition, 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, at its meeting on 10 December 2020, determined the training to be followed by the employee Directors in 2021.

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

1.2.7 Specialised Committees of the Board of Directors

AUDIT COMMITTEE

6
Number of directors

66.66%
Independent Board members' rate

67% of women

7
Number of meetings in 2020

97.95%
Average attendance rate in 2020

RISKS COMMITTEE

6
Number of directors

66.66%
Independent Board members' rate

67% of women

7
Number of meetings in 2020

100%
Average attendance rate in 2020

APPOINTMENTS AND GOVERNANCE COMMITTEE

3
Number of directors

66,66%
Independent Board members' rate

67% of women

6
Number of meetings in 2020

95,83%
Average attendance rate in 2020

COMPENSATION COMMITTEE

4
Number of directors

66.66%
Independent Board members' rate (1)

50% of women

3
Number of meetings in 2020

74.99%
Average attendance rate in 2020

(1) *Computation excluding employee directors in accordance with AFEP-MEDEF code.*

The Board has four Specialised Committees: an Audit Committee, a Risk Committee, an Appointments and Governance Committee, and a Compensation Committee.

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

These 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.

The Committees 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.

Each Committee carries 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 and meets periodically and as necessary, in order to review any subject within its jurisdiction. The Committee can request access to all the information it deems relevant to perform its mission.

Each Committee bases its work mainly on the summary information provided by the departments and on the interviews or meetings that it holds with Company people deemed useful for the performance of its missions; if it so wishes, 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, the Committee can have any studies required to assist the Board's deliberations drawn up at the Company's costs, after verifying the objectivity of the expert selected.

AUDIT COMMITTEE

Composition of the Audit Committee at 31 December 2020

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

MEMBERS AT 31 DECEMBER 2020

- Mrs Catherine Pourre, Independent Director, Chairwoman of the Committee;
- Mr Jacques Boyer, Director;
- Mrs Claire Dorland Clauzel, Independent Director;
- Mr Olivier Gavalda, Director;
- Mrs Meritxell Maestre Cortadella, Independent Director;
- Mrs Anne-Laure Noat, Independent Director.

Mrs Meritxell Maestre Cortadella was appointed as a member of this Committee by the Board of Directors on 4 May 2020.

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

A short biography is available in section 1.3 of this Universal Registration Document.

Missions of the Audit Committee

The Committee meets 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 submission 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:

- *to conduct the selection procedure when appointing the Statutory Auditors and make a recommendation for the attention of the Board of Directors on their renewal or appointment;*
- *to ensure 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;*
- *to approve 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, their 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 a financial or accounting nature that are submitted to it by the Chairman of the Board of Directors or Chief Executive Officer.

It reports on the performance of its duties to the Board of Directors."

Activities of the Audit Committee during 2020

The Audit Committee met seven times during 2020, including three joint sessions with the Risk Committee.

Each Committee meeting was preceded by a conference call with the Finance Department. Certain situations relating to the financial statements or the missions of the Statutory Auditors were able to be clarified during telephone discussions. Specific phone conversations were held with the Statutory Auditors.

During these meetings, the Committee examined:

- the quarterly, interim and yearly consolidated corporate financial statements;
- the work of the Statutory Auditors as well as the missions "outside financial audit" they performed;
- the 2020 and 2021 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 97.95% in 2020.

▸ Attendance rate of Audit Committee members

	Number of Audit Committee meetings that each member should have attended in 2020	Number of Audit Committee meetings attended by each member in 2020	Attendance rate
Jacques BOYER	7	7	100.00%
Marie-Claire DAVEU [2]	3	3	100.00%
Claire DORLAND CLAUZEL	7	7	100.00%
Olivier GAVALDA	7	6	85.71%
Meritxell MAESTRE CORTADELLA[1]	4	4	100.00%
Anne-Laure NOAT	7	7	100.00%
Catherine POURRE	7	7	100.00%

[1] Mrs Meritxell Maestre Cortadella was appointed as a member of this Committee by the Board on 4 May 2020.
[2] Mrs Marie-Claire Daveu was not reappointed as a Director at the Ordinary General Meeting of 4 May 2020.

RISK COMMITTEE

◆ Composition of the Risk Committee at 31 December 2020

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

MEMBERS AT 31 DECEMBER 2020

- Mrs Anne-Laure Noat, Independent Director, Chairwoman of the Committee;
- Mr Paul Carite, Director;
- Mrs Françoise Gri, Independent Director;
- Mrs Meritxell Maestre Cortadella, Independent Director;
- Mrs Catherine Pourre, Independent Director;
- Mr François Thibault, Director.

Mrs Meritxell Maestre Cortadella was appointed as a member of this Committee by the Board of Directors on 4 May 2020.

A short biography is available in section 1.3 of this Universal Registration Document.

◆ Missions of the Risk Committee

The Risk Committee meets whenever necessary, and at least once a quarter. It is fully informed about the Company'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 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 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 2020

The Risk Committee met seven times during 2020, 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;
- the Company's risk appetite;
- risk strategies (quarterly review);
- compliance reviews, including implementation of the OFAC remediation plan (quarterly review);
- the periodic control missions, including the 2021 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;
- two meetings with the Executive Management of Crédit Agricole CIB and one of the Bank's subsidiaries.

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

The attendance rate of the Risk Committee members in 2020 was 100%.

Attendance rate of the members comprising the Risk Committee

	Number of Risk Committee meetings that each member should have attended in 2020	Number of Risk Committee meetings attended by each member in 2020	Attendance rate
Marie-Claire DAVEU [2]	3	3	100%
Paul CARITE	7	7	100%
Françoise GRI	7	7	100%
Meritxell MAESTRE CORTADELLA [1]	4	4	100%
Anne-Laure NOAT	7	7	100%
Catherine POURRE	7	7	100%
François THIBAULT	7	7	100%

[1] Mrs Meritxell Maestre Cortadella was appointed as a member of this Committee by the Board of Directors on 4 May 2020.
[2] Mrs Marie-Claire Daveu was not reappointed as a Director at the Ordinary General Meeting of 4 May 2020.

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

- the 2019 annual report on internal control (RACI) and the 2020 half-year information on internal control (ISCI);
- the 2020 stress-test 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 2021 budget;
- the risk appetite statement;
- internal control reports (corporate and consolidated) dedicated to the fight against money laundering and the financing of terrorism.

APPOINTMENTS AND GOVERNANCE COMMITTEE

Composition of the Appointments and Governance Committee at 31 December 2020

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

MEMBERS AT 31 DECEMBER 2020

- Mrs Claire Dorland Clauzel, Independent Director, Chairwoman of the Committee;
- Mr Luc Jeanneau, Director;
- Mrs Meritxell Maestre Cortadella, Independent Director.

Mrs Meritxell Maestre Cortadella was appointed as a member of this Committee by the Board of Directors on 4 May 2020.

A short biography is available in section 1.3 of this Universal Registration Document.

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

The Chief Executive Officer and the Secretary of the Board of Directors are 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.

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 and Governance 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 member(s) 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."*

Actions of the Appointments and Governance Committee during 2020

The Appointments and Governance Committee met six times during 2020.

At its meetings, the Committee:

- examined the candidatures and reappointments of Directors in anticipation of the General Meeting and the candidatures for the new Chief Compliance Officer and the three new Deputy Chief Executive Officers;
- 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 2020, 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 2020, 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 and submit the actions to be taken to the Board of Directors;
- 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 the Company'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 2020 was 95.83%.

▶ 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 2020	Number of Appointments and Governance Committee meetings attended by each member in 2020	Attendance rate
Marie-Claire DAVEU[2]	3	3	100.00%
Claire DORLAND CLAUZEL	6	5	83.33%
Luc JEANNEAU	6	6	100.00%
Meritxell MAESTRE CORTADELLA[1]	3	3	100.00%

[1] *Mrs Meritxell Maestre Cortadella was appointed as a member of this Committee by the Board of Directors on 4 May 2020.*
[2] *Mrs Marie-Claire Daveu was not reappointed as a Director at the Ordinary General Meeting of 4 May 2020.*

COMPENSATION COMMITTEE

Composition of the Compensation Committee at 31 December 2020

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.

MEMBERS AT 31 DECEMBER 2020

- Mrs Anne-Laure Noat, Independent Director, Chairwoman of the Committee;
- Mrs Claire Dorland Clauzel, Independent Director;
- Mr Luc Jeanneau, Director;
- Mr Jean-Guy Larrivière, Director elected by employees.

Mr Jean-Guy Larrivière was elected as an employee Director (management salaried employee body) following the electoral process on 25 November 2020.

A short biography is available in section 1.3 of this Universal Registration Document.

This 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.'s compensation policies, the Group Human Resources Director or his or her representative, as well as the Chairman of the Board of Directors and the Chief Executive Officer of Crédit Agricole S.A., are invited to the meetings of the Compensation Committee. An overall monitoring of the compensation policy applicable across all Crédit Agricole Group S.A. 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 compliance with regulatory provisions and professional standards on compensation.

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 Directors' fees allocated to the members of the Board of Directors, to be submitted to the General Meeting of Shareholders for approval;*
- *the distribution of these Directors' fees 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;*
- *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 2020

The Compensation Committee met three times during 2020.

These meetings focused primarily on the following matters:

- 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;
- annual review of the Group's compensation policy;
- review of the reports required by law presenting the information on the compensation policy and practices inside the Company;
- 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 74.99% in 2019.

Attendance rate of members of the Compensation Committee

	Number of meetings of the Compensation Committee that each member should have attended in 2020	Number of Compensation Committee meetings attended by each member in 2020	Attendance rate
Jean de Dieu BATINA [2]	2	2	100.00%
Claire DORLAND CLAUZEL	3	3	100.00%
Luc JEANNEAU	3	1	33.33%
Jean-Guy Larrivière [1]	N/A	N/A	N/A
Anne-Laure NOAT	3	2	66.66%

[1] Mr Jean-Guy Larrivière (elected employee Director on 25 November 2020) was appointed as a member of this Committee by the Board of Directors on 10 December 2020.
[2] Mr Batina's term of office as Director ended following the last electoral process on 25 November 2020.

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 2020

MEMBERS OF THE EXECUTIVE MANAGEMENT

Jacques RIPOLL

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

Business address: 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 he also became Deputy General Manager of Crédit Agricole S.A. responsible for the Large Clients division, for Corporate and Investment banking, Wealth Management (CA Indosuez Wealth Group) and services for institutional investors and businesses (CACEIS).

DATE OF FIRST APPOINTMENT

2018

END OF TERM OF OFFICE

Indefinite term of office

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Deputy General Manager: 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

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

- Santander Group: Senior Executive Vice President in charge of Global Investment Banking (2015-2017)
- Director: Beyond Ratings (2019)

François MARION

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 1958**

NATIONALITY

French

› BRIEF BIOGRAPHY

A graduate of HEC, François Marion spent a significant part of his career within Crédit Agricole Indosuez, first at Banque Indosuez, which he joined in 1983, in the Control and Audit function, then in 1985 in New York, where he was responsible for all banking support functions. In 1992, he was appointed as Chief Operating Officer for all of the Group's Asia-Pacific units. In 1997, he returned to Paris, where he was responsible for all financial control, budgeting and strategic planning at Crédit Agricole Group Indosuez, becoming a member of the Executive Committee and Director of Systems and Operations in 1999. From June 2004, he was appointed as Chief Executive Officer of Crédit Agricole Investor Services. He became Chairman of the Management Committee of CACEIS upon its creation in 2005, then its Chief Executive Officer in 2009. He has been Deputy Chief Executive Officer of Crédit Agricole CIB since 18 May 2016.

DATE OF FIRST APPOINTMENT

2016

END OF TERM OF OFFICE

Indefinite term of office

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Permanent representative of Crédit Agricole CIB: Director of LESICA (SAS)
- Director: CA-GIP

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 and Chief Executive Officer: SICOVAM Holding
- Director: Euroclear Holding

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

- Chief Executive Officer: CACEIS (2016)

In structures outside the Crédit Agricole Group

—

** Mr Marion's term of office ended on 1 January 2021. Messieurs Jean-François Balaÿ, Olivier Bélorgey and Pierre Gay were appointed as Deputy Chief Executive Officers from 1 January 2021.*

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..

› AREAS OF EXPERTISE:

- Financial markets
- Strategic planning
- Governance

DATE OF FIRST APPOINTMENT

2010

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 10 YEARS

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chief Executive Officer of Crédit Agricole S.A.
- Chairman: LCL
- Director: Crédit Agricole Pays de France Foundation

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 and member of the Executive Committee of the French Banking Federation

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

—

Jacques BOYER

Office held at Crédit Agricole CIB: **Director**
Member of the Audit Committee
Business address: CRCAM du Languedoc - avenue de Montpelliéret - Maurin - 34977 LATTES - France

› BORN IN 1953

NATIONALITY

French

› BRIEF BIOGRAPHY

Manager of a wine producing company in the Languedoc for many years, Jacques Boyer joined the Crédit Agricole S.A Group since 1977.

After serving as Vice-Chairman of the Caisse Régionale du Midi, Jacques Boyer became Chairman of the Caisse Régionale de Crédit Agricole du Languedoc in 2011. At the same time, he has numerous responsibilities and positions within the Crédit Agricole Group and holds several offices within Group subsidiaries.

› AREAS OF EXPERTISE:

- Governance
- Banking regulations
- Corporate social responsibility

DATE OF FIRST APPOINTMENT

2018

END OF TERM OF OFFICE

2021

SENIORITY ON THE BOARD OF DIRECTORS

> 2 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chairman: CRCAM du Languedoc
- Director: CA Consumer finance; Crédit Agricole Immobilier; SACAM Participations; SAS Rue la Boétie
- Member of the Management Committee: GIE GECAM
- Member of the Board of Directors: SCI CAM
- Member: FNCA board

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: AGRICA Group; AGRICA Gestion; SGPAS AGRICA PREVOYANCE; CCPMA Prévoyance;
- Chairman: SAS "Jacques et Françoise BOYER"; SAS "Jacques BOYER & fils";
- Manager: SC "JFB Holding"

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

—

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

› **BORN IN 1961**

NATIONALITY

French

› 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 became 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.

› AREAS OF EXPERTISE:

- Strategic planning
- Governance
- Banking regulations

DATE OF FIRST APPOINTMENT

2019

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 1 year

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chief Executive Officer: CRCAM Pyrénées Gascogne
- Director: FONCARIS (Member of the Commitments Committee), Crédit Agricole d'Égypte (Chairman of the Audit Committee and Risk Committee), NEXECUR SAS, CACIF
- Member: FNCA board

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

› OFFICES HELD DURING THE PAST FIVE YEARS

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)

3

Bertrand CORBEAU

Office held at Crédit Agricole CIB: **Director***

Business address: 12, place des États-Unis - 92127 Montrouge Cedex - France

› BORN IN 1959

NATIONALITY

French

› BRIEF BIOGRAPHY

A graduate of the Institut Technique de Banque, the Institut national de Marketing and the INSEAD business school, Bertrand Corbeau has spent his entire career at Crédit Agricole, first at Crédit Agricole de la Mayenne in 1981, then at the Caisse Régionale d'Anjou-Mayenne and the Caisse Régionale de l'Anjou et du Maine, as Commercial Director. In 2003, he joined Crédit Agricole de Franche-Comté as Deputy General Manager. In 2006, he was called to take up the same position at Crédit Agricole de Val-de-France. He became Chief Executive Officer of Crédit Agricole de Franche-Comté in 2007. In 2010, he was appointed as Chief Executive Officer of the Fédération National du Crédit Agricole where he remained until 2016. He was appointed as Deputy General Manager of Crédit Agricole S.A. responsible for the Development, Client and Innovation Division on 4 April 2016 and is a member of the Executive Committee.

› AREAS OF EXPERTISE:

Strategic planning

Governance

Corporate management

DATE OF FIRST APPOINTMENT

2016

END OF TERM OF OFFICE

2021

SENIORITY ON THE BOARD OF DIRECTORS

> 4 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Deputy General Manager: Crédit Agricole S.A*.
- Chairman: UNI-MEDIAS, CRCAM Corse; La Fabrique by CA
- Director: FIRECA, PACIFICA, PREDICA, CA payment Services
- Member of the Supervisory Board: CARD, CAIT

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

—

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

- Chief Executive Officer of FNCA, SACAM Participations, CA village de l'innovation
- Director: ACBA CA, GEFOCAM, BFORBANK, SACAM Participations, CA Indosuez Wealth (France) (2017), CA Indosuez Wealth (Group) (2017), CA Immobilier (2017), IFCAM (2018)
- Advisory member to the board: PACIFICA, PREDICA
- Permanent representative of FNCA, Director: Crédit Agricole Store, GECAM (GIE)
- Non-shareholder manager: SCI CAM

In structures outside the Crédit Agricole Group

—

End of term of office on 31 December 2020

Claire DORLAND CLAUZEL

Office held at Crédit Agricole CIB: **Director**

Chairwoman of the Appointments and Governance Committee – Member of the Audit Committee and 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 Communications and Branding. From 2014 to 2018, she was Head of Brands, External Relations and Maps and Guides of the Michelin Group; she was also Head of Sustainable Development from 2017 to 2018 and member of the Executive Committee. Since 2018, she has been joint director of a vineyard.

› AREAS OF EXPERTISE:

- Corporate social responsibility
- International
- Corporate management

DATE OF FIRST APPOINTMENT

2016

END OF TERM OF OFFICE

2021

SENIORITY ON THE BOARD OF DIRECTORS

> 4 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

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 Echange Internationaux)

› OFFICES HELD DURING THE PAST FIVE YEARS

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)

Olivier GAVALDA

Office held at Crédit Agricole CIB: **Director**
Member of the Audit Committee
Business address: 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.

› AREAS OF EXPERTISE:

- Financial markets
- Banking regulations
- Corporate management

DATE OF FIRST APPOINTMENT

2018

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 2 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chief Executive Officer: CRCAM Paris Ile-de-France.
- Chairman: Crédit Agricole SRBIJA, CAGIP
- Director: CA Payment Services;
- Chief Executive Officer of the SNC Crédit Agricole Technologies et Service

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

—

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

- Deputy General Manager: Crédit Agricole S.A. (2016)
- Chairman: GIE Cartes bancaires (2016)
- Director: GIE Coopernic, CAMCA (2020), Crédit Agricole Capital Investissement et Finances (2020), Cards and Payments (2016); Crédit Agricole Technologie et Service (GIE) (2020)

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

› 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).

› AREAS OF EXPERTISE:

- Strategic planning
- Governance
- Corporate management

DATE OF FIRST APPOINTMENT

2017

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 3 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

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.,
- Director: WNS Services (member of the Audit Committee)

In other structures outside the Crédit Agricole Group

- Manager of F. Gri Conseil
- Chairwoman of the Supervisory Board: INSEEC U

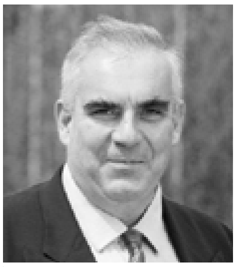
› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

–

In structures outside the Crédit Agricole Group

- Chairwoman of the Board of Directors: Viadeo (2016)
- Member: High Committee for Corporate Governance; Ethics Committee MEDEF (2016);
- Independent Director: 21 centrale Partners (2019)
- Director: Ecole Audencia (2019)



Luc JEANNEAU

Office held at Crédit Agricole CIB: **Director**
Member of the Compensation Committee and 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.

› AREAS OF EXPERTISE:

- Corporate social responsibility
- Governance
- Corporate management

DATE OF FIRST APPOINTMENT

2017

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 3 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chairman: CRCAM Atlantique-Vendée;
- Vice-Chairman: CAMCA Mutuelle; CAMCA Assurance Réassurance;
- Vice-Chairman of the Supervisory Committee of CAMCA Courtage
- Director: Caisse Locale de Noirmoutier; SAS Rue la Boétie; SACAM Participations; ADICAM,
- Member of the Supervisory Board: CAMCA Courtage
- Member of the Executive Committee: GIE GECAM
- Member of the Management Board: SACAM Mutualisation
- Member of the Board of Directors: SCI CAM
- Member of the board: 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

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

- Director: CAMCA Vie (2016), SACAM Assurances Caution

In structures outside the Crédit Agricole Group

—

Jean-Guy LARRIVIERE

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.

› AREAS OF EXPERTISE:

- Financial markets
- Banking regulations
- International.

3

DATE OF FIRST APPOINTMENT

2020

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

< 1 year

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

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

—

› OFFICES HELD DURING THE PAST FIVE YEARS

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 hold any shares in the Company

› 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.

› AREAS OF EXPERTISE:

Financial markets

Banking regulations

› OFFICES HELD AT 31 DECEMBER 2020

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

—

› OFFICES HELD DURING THE PAST FIVE YEARS

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.

› AREAS OF EXPERTISE:

- Financial markets
- Banking regulations
- International

DATE OF FIRST APPOINTMENT

2020

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

< 1 year

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

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
- Director: April Group, Andromeda Holdings

› OFFICES HELD DURING THE PAST FIVE YEARS

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, associate HRD since September 2012 and a member of the EXCOM since 2018. 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 in charge of the Responsible Company and Economy practice.

› AREAS OF EXPERTISE:

Corporate social responsibility

Governance

Corporate management

DATE OF FIRST APPOINTMENT

2014

END OF TERM OF OFFICE

2023

SENIORITY ON THE BOARD OF DIRECTORS

> 6 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

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)
- Chairwoman of the HR and Business Committee of Union Internationale des Transports Publics and a member of the Policy Board

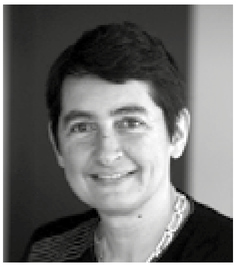
› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

- Chairwoman: DDS SAS (Eurogroup Consulting subsidiary) (2019)
- 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.

› AREAS OF EXPERTISE:

Accounting and financial information

Governance

Corporate management

3

DATE OF FIRST APPOINTMENT

2017

END OF TERM OF OFFICE

2021

SENIORITY ON THE BOARD OF DIRECTORS

> 3 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Director: Crédit Agricole S.A. (Chairwoman of the Audit Committee; Member of the Risk Committee)

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

- Permanent representative of Fonds Stratégique de Participation: SEB Director (Chairwoman of the Audit Committee)
- Director (Chairwoman of the Audit Committee and member of the Compensation Committee): Bénéteau

In other structures outside the Crédit Agricole Group

- Manager: CPO Services
- Director and Treasurer: Class 40 Association
- Member: Royal Ocean Racing Club

› OFFICES HELD DURING THE PAST FIVE YEARS

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 to the board: Crédit Agricole S.A, Crédit Agricole CIB (2017)

Laurence RENOULT

Office held at Crédit Agricole CIB: **Director**

Business address: CRCAM Val de France – 1, rue Daniel Boutet – 28002 Chartres Cedex - France

› **BORN IN 1968**

NATIONALITY

French

› BRIEF BIOGRAPHY

Laurence Renoult is a graduate of the Institut National Agronomique Paris Grignon and of the l'Institut Technique de Banque. She joined Crédit Agricole Pyrénées-Gascogne in 1993, where she held a number of different management positions in several areas, then became head of Sales, Marketing & Communication and a member of the Executive Committee of the Regional Bank. In 2007, she was in charge of developing retail and mutualists at the FNCA. She continued her career at the Banque de Gestion Privée Indosuez in 2009 as Deputy General Manager. Laurence Renoult was also Deputy General Manager, then Chief Executive officer of the Caisse Régionale Côte d'Azur in 2011. She holds various offices within the FNCA and is notably the rapporteur of the Mutualist Life and Identity Committee, and a member of the Markets, Innovation and Clients Committee and the Agriculture & Agribusiness Committee of the Fédération Nationale du Crédit Agricole. Laurence Renoult has been Chief Executive Officer of the Caisse Régionale de Crédit Agricole Val de France since 2015.

› AREAS OF EXPERTISE:

- Corporate social responsibility
- Governance
- Corporate management

DATE OF FIRST APPOINTMENT

2019

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 1 year

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chief Executive Officer: CRCAM Val de France
- Director: CACF (Chairwoman of the Audit and Accounts Committee, Member of the Risk Committee); LCL (Member of the Appointments Committee); GIE CARCENTRE; Crédit Agricole Home Loan SFH (Member of the Risk 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

- Member: Loire et Cher Chamber of Commerce and Industry

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

–

In structures outside the Crédit Agricole Group

–

François THIBAULT

Office held at Crédit Agricole CIB: **Director**
Member of the Risk Committee
Business address: CRCAM Centre Loire - 8 allée des Collèges - 18000 Bourges - France

› BORN IN 1955

NATIONALITY

French

› BRIEF BIOGRAPHY

An agricultural engineer, farmer and viticulturist by profession, François Thibault is a long-standing elected member of Crédit Agricole's working bodies. He was Chairman of the Caisse Locale Cosne-sur-Loire (Nièvre) from 1991 to 1996, when he became a Director, and later Chairman, of the Caisse Régionale Centre Loire. He also holds several responsibilities within the Group's national bodies in particular, as the Chairman of Federal Committees and within specialised subsidiaries.

› AREAS OF EXPERTISE:

- **Corporate social responsibility**
- **Financial accounting and information**
- **Governance**

3

DATE OF FIRST APPOINTMENT

2010

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 10 years

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chairman: CRCAM Centre Loire, CAMCA, CAMCA Courtage, SAS Centre Loire Expansion,
- Director: Car Centre, SACAM Centre, CNMCCA

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

—

› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

- Chairman: SAS Pleinchamp (2016), Foncaris (2016)
- Director: CA Bank Polska (2016); CNMCCA (2019); Crédit Agricole S.A. (Member: Strategic and CSR Committee, Risk Committee) (2020)

In structures outside the Crédit Agricole Group

- Shareholder: Gaec Thibault, GFA Villargeau d'en Haut, GFA de Montour, SCI Loire et Fontbout (2020)

Odet TRIQUET

Office held at Crédit Agricole CIB: **Director**

Business address: CRCAM Touraine Poitou - 18 rue Salvador Allende – BP 307 - 86008 Poitiers Cedex

› BORN IN 1962

NATIONALITY

French

DATE OF FIRST APPOINTMENT

2018

END OF TERM OF OFFICE

2021

SENIORITY ON THE BOARD OF DIRECTORS

> 2 years

Does not hold any shares in the Company

› 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.

› AREAS OF EXPERTISE:

- Corporate social responsibility
- Governance
- Banking regulations

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chairman: CRCAM Touraine Poitou
- Director: GIE CAR Centre, BFORBANK (Member of the Audit Committee), FIRECA.
- Member of the Supervisory Board: CA Titres
- Member: FNCA board

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

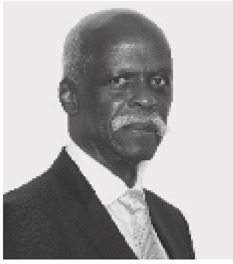
› OFFICES HELD DURING THE PAST FIVE YEARS

In Crédit Agricole Group companies

—

In structures outside the Crédit Agricole Group

—



Émile LAFORTUNE

Office held at Crédit Agricole CIB: **Advisory member to 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.

› AREAS OF EXPERTISE:

- Corporate Social 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 hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

In Crédit Agricole Group companies

- Chairman: CRCAM de Guadeloupe
- Member: Finance and Risk Committee; Agriculture and Agrifood 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

—

› OFFICES HELD DURING THE PAST FIVE YEARS

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 of ACWA HOLDING (2017)

3

Christian ROUCHON

Office held at Crédit Agricole CIB: **Advisory member to 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.

› AREAS OF EXPERTISE:

- Accounting and financial information
- Financial markets
- Banking regulations

DATE OF FIRST APPOINTMENT

2019

END OF TERM OF OFFICE

2022

SENIORITY ON THE BOARD OF DIRECTORS

> 1 year

Does not hold any shares in the Company

› OFFICES HELD AT 31 DECEMBER 2020

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 of the 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

—

› OFFICES HELD DURING THE PAST FIVE YEARS

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: CA Group company 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 appointed by the General Meeting of Shareholders do not hold any shares in Crédit Agricole CIB

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 and members of the Executive Management are bound by 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.

[..]

Directors 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.

Directors make 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 abstain from participating in decision-making on such matters.

In general, Directors are 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.

Directors respect 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 Directors hold 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 Group SA, 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.).

Directors are 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 Directors are 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."

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 include 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. 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 decision-making on such matters.

The composition of the Board of Directors results from the will to reflect Crédit Agricole CIB's capital structure, 100%-owned by the Crédit Agricole Group as well as the Board od Directors' objective of diversity. 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.

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.

To the best of the Company'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 the Company'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.

1.3.4 Transactions carried out on the securities of the Company (Art. L.621-18-2 of the French Monetary and Financial Code)

Given that the Company'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 the Company.

For 2020, the Company 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 the Company or related derivatives or other financial instruments.

Information on the ownership structure at 31 December 2020 is provided in Note 6.17 to the consolidated financial statements on pages 369 and 370.

1.3.5 Conventions 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 the Company's knowledge, no agreement has been reached, directly or by any intermediary during 2020 financial year, between:

- 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;
- 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.

1.4 COMPENSATION POLICY

1.4.1 General principle underlying 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, be they employees, clients or shareholders.

In light of the specific characteristics of its business lines, its legal entities, and national and international legislation, Crédit Agricole CIB strives to develop a compensation system that provides its employees with a competitive reward relative to its market benchmark in order to attract and retain the talent it needs. Benchmarking exercises against other financial groups are 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.

The compensation policy's objective is to compensate employees fairly and appropriately based on their contribution to Crédit Agricole CIB's success and the levels of service and performance provided to clients. Consequently, the compensation policy has been built to avoid conflicts of interest and moreover to ensure that employees do not put their own interests or those of Crédit Agricole CIB before those of their clients.

The Crédit Agricole CIB compensation policy contributes to compliance with the risk appetite statement and framework approved by its governing bodies.

The Crédit Agricole CIB compensation policy is also part of a highly regulated environment that is specific to the banking sector. In general, Crédit Agricole CIB ensures the compliance of its compensation policy with the national, European and international legal and regulatory environment in effect. In particular, it complies with the provisions of the following regulations:

- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, transposed in the French Monetary and Financial Code by Order No 2014-158 of 20 February 2014 ("CRD IV Directive");
- French Law No 2013-672 of 26 July 2013 on the separation and regulation of banking activities ("French Banking Law");
- the Rule introduced by Section 13 of the Bank Holding Company Act, pursuant to Section 619 of the Dodd–Frank Wall Street Reform and Consumer Protection Act ("Volcker Rule");
- Directive 2014/65/EU of the European Parliament and Council and regulation 600-2014 of the European Parliament and Council of 15 May 2014, transposed into the French Monetary and Financial Code by Ordinance no. 2016-827 of 23 June 2016 and the delegated regulation 2017/565 of 25 April 2016 of the European Commission ("MIFIDII").

The Crédit Agricole CIB policy may be subject to local adaptations in order to comply with the requirements of national regulations (if these last are more restrictive than Group policy). If necessary, these adaptations must be subject to consultation between the Head of the subsidiary, the control functions, the Human Resources Department of the subsidiary and the Human Resources Department of Crédit Agricole CIB.

The compensation policy was approved by the meeting of the Crédit Agricole CIB Board of Directors 10 December 2020.

1.4.2 Total compensation

The total compensation paid to employees of the Crédit Agricole CIB Group comprises the following elements:

- fixed compensation;
- annual individual variable compensation;
- collective variable compensation;
- long-term variable compensation;
- supplementary pension and health insurance plans;
- benefits in kind and other fringe benefits.

All or part of this package may be offered to each employee, according to their level of responsibility, skills, performance and location.

A - FIXED COMPENSATION

Fixed compensation rewards employees for the responsibilities entrusted to them, as well as the competencies used to exercise them, 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, an echelon within the organisation and a profile of expected skills and experience.

Fixed compensation is determined in proportions such that it is possible to not award variable compensation in the event of insufficient performance.

Employees' fixed compensation is increased according to changes in their responsibilities and their proficiency in their role, which is assessed through the annual performance appraisal on the basis of the fulfilment of objectives and contributions to the role.

When an employee is given a new role, the change in responsibilities is taken into account when determining the fixed compensation.

Fixed compensation is made up of the base salary, as well as of any other stable, recurring compensation component that is not performance-based in any way.

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 targets set at the start of the financial year and includes an assessment of the way in which the employee acts in the client's interest. In general terms, respect for internal and external procedures and rules is a key criteria for assessing performance.

Collective performance is based on the determination of a company-wide budget which is then broken down by business activity. This budget is defined in a way which does not limit the capacity of Crédit Agricole CIB to strengthen its equity capital as required. It takes all risks into account, including liquidity risk, as well as the cost of capital, in compliance with regulatory principles.

Variable compensation is made up of the bonus, as well as of any other individual compensation component linked to performance, including guaranteed variable compensation.

1 - Composition of compensation envelopes

Crédit Agricole CIB's total variable compensation envelopes is determined according to its capacity to fund its bonuses (the Contribution) and by setting a pay-out ratio.

The Contribution is determined using the following formula, on the basis of the 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 costs.

The cost of risk is understood to be the provisions for default.

Cost of capital, used to take into account the return on equity specific to an activity, is calculated by applying the following formula:

- average risk weighted assets (RWA) x Capital supply rate (target Tier 1 ratio) x ß (coefficient measuring the market risk of an activity and enabling an adjustment to the Tier 1 ratio according to the capital requirements of the business line).

Once the financing capacity has been determined, Crédit Agricole CIB defines a pay-out ratio, which depends on:

- the approved budgets at the start of the financial year;
- the practices of competing companies in comparable business lines.

2 - Individual compensation allocations

Bonuses are funded with envelopes allocated for each business line. The individual allocation to employees is decided in a discretionary manner by the line management on the basis of an overall assessment of their individual and collective performance, taking into account quantitative and qualitative considerations.

In order to prevent any risk of conflicts of interests and disregard for the client's interests, there is no direct and automatic link between the level of an employee's commercial and financial results and the level of their variable compensation.

The decision-making process for individual bonus awards takes into account employees' behaviour that is non-compliant with rules and procedures as well as risk limits, within the framework of the rules and methods defined by Crédit Agricole CIB. Decisions affecting individual variable compensation for employees with noted high-risk behaviour are subject to annual review by Executive Management.

In certain cases, other variable compensation components are awarded in addition to the bonus, as is the case for Senior Executives.

3 - Guaranteed variable compensation

Awarding guaranteed variable compensation is only authorised for recruitments and for a duration that cannot exceed one year. Crédit Agricole CIB may also buy-out variable compensation granted by the previous employer but forfeited as a result of the candidate's resignation.

Retention bonuses may exceptionally be granted for a pre-determined period of time in certain specific cases (for example, in the event of the restructuring, winding-up or transfer of a business line).

Guaranteed variable compensation awards are subject to the applicable payment rules for the performance year and may lead to deferred payment.

4 - Limitation on variable compensation

A variable compensation award in respect of a performance year is limited to the amount of the fixed compensation for all employees. This cap may be raised each year to twice the amount of the fixed compensation by decision of the General Meeting of Crédit Agricole CIB.

5 - Payment conditions for the variable compensation

Above a certain threshold, the variable compensation is broken down into a non-deferred portion and a portion deferred in thirds over a three-year period.

The deferred portion vests over a period of three years as follows: 1/3 in year N+1, 1/3 in year N+2 and 1/3 in year N+3 relative to the awarding year (N), subject to meeting the vesting conditions:

- performance conditions;
- presence condition;
- compliance with the internal rules and risk limits.

The deferred variable compensation and part of the non-deferred variable compensation are allocated in the form of Crédit Agricole S.A. shares or equity-linked instruments.

If it is discovered, within 5 years after the payment, that a beneficiary: (i) is partly or fully responsible for significant losses to the detriment of Crédit Agricole CIB or its clients or (ii) is responsible for a serious breach of the internal or external rules and procedures, Crédit Agricole CIB reserves the right, subject to any local law in force, to demand the return of all or part of the sums already paid.

Any hedging or insurance strategy that seeks to limit the scope of the risk alignment provisions contained in the compensation system is prohibited.

Identified staffs are subjected to a specific system.

6 - 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 and therefore must comply with internal policies and procedures, including the Volcker rule compliance manual.

Among other things, individual performance bonuses are based on 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 managed.

Quarterly checks are carried out by the Risk Management Department and by the Market Activities Department to ensure that the terms of office are correctly applied.

During the end of year assessments, the management assesses the performance of employees in light of the targets set at the start of the year, including compliance with trading mandates. This assessment takes into account conduct that is not compliant with internal rules and procedures, and in particular noncompliance with mandates.

7 - Variable compensation programme for the control functions

In order to prevent potential conflicts of interests, the compensation of control function personnel is set independently of the compensation of the personnel employed by the business lines for which they validate or review the operations. The objectives set for control function personnel and the budgets used to determine their variable compensation must not take into account the criteria concerning the results and economic performances of the business area that they monitor. Their variable compensation budgets as well as their individual award will be defined according to market practices.

The Crédit Agricole CIB Compensation Committee, as part of its remit, ensures compliance with the principles for determining the compensation of the risk and compliance managers.

C - COLLECTIVE VARIABLE COMPENSATION

In addition, for many years, it has been Crédit Agricole CIB's policy to share its results and performance collectively with its employees. For this purpose, a collective variable compensation system (discretionary and mandatory profit sharing) has been set up in France. Similar systems that provide all members of staff with a share of the results have been set up within certain entities abroad.

D - LONG-TERM VARIABLE COMPENSATION

This component of variable compensation unifies, motivates and increases loyalty. It complements the annual variable compensation mechanism by rewarding the long-term collective performance of the Group.

It is composed of differentiated systems according to the level of responsibility in the Company:

- "employee" shareholdings open to all employees;
- 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 Senior Executives and Key Group Executives.

E - RETIREMENT, DEATH AND DISABILITY, HEALTH

Depending on the country and market practices, Crédit Agricole CIB promotes a wide range of employee benefits allowing:

- support in creating retirement income or savings;
- a minimum level of basic financial protection to employees and their families.

F - BENEFITS IN KIND AND OTHER FRINGE BENEFITS

In some cases, the total compensation also includes benefits in kind. These are mainly:

- the allocation of a company car according to the position held;
- the granting of benefits to cover additional living costs for mobile workers.

These elements may be supplemented according to country by various plans aimed at providing a stimulating work environment and a work-life balance.

1.4.3 Governance of the compensation policy

Crédit Agricole CIB's compensation policy is reviewed annually by its Executive Management, on the basis of a proposal by the Human Resources Department and in accordance with the Crédit Agricole S.A. Group's compensation policy guidelines. The compensation policy is approved by the Board of Directors, on the recommendation of the Compensation Committee.

In accordance with Group policy principles, the Human Resources Department associates Control functions to risk analysis in the management of compensation, particularly as regards definition of identified staff, compliance with regulatory standards and monitoring of high-risk behaviour.

The Group's Internal Audit performs an annual and independent audit of the implementation of the compensation policy.

1.4.4 Compensation of identified staff

Consistent with the Group's general principles, the compensation policy applicable to identified staff is part of a strict regulatory environment (CRD4) that imposes requirements in the structure of their compensation.

The category of identified staff includes employees who, by virtue of their positions, are likely to have a significant impact on Crédit Agricole CIB's risk profile.

The determination of employees as identified staff is made through a joint process between Crédit Agricole CIB and Crédit Agricole S.A. and between Human Resources functions and various Control functions. This process is reviewed annually.

Furthermore, Crédit Agricole CIB's entities outside France may be subject to more stringent local regulations.

A - SCOPE

Within Crédit Agricole CIB, the following, in particular, are included within the scope of the identified staff:

- corporate officers and executives;
- managers of the main business activities;
- managers of the control functions;
- employees who have a significant credit risk commitment capacity;
- employees with substantial powers to take market risks;
- employees who have significant total compensation;
- and, on the proposal of the Risk Management Department, the Compliance Department or the Human Resources Department, and by decision of Executive Management, any employee likely to have significant impact on the risk exposure of Crédit Agricole CIB.

Moreover, employees may also be deemed to be risk-takers at subsidiary level under local regulations.

B - ADJUSTMENTS MADE TO THE COMPENSATION POLICY FOR IDENTIFIED STAFF

1 - Rules for the compensation of identified staff

Pursuant to its regulatory obligations, the main features of Group compensation policy for identified staff are:

- as for all employees, the amounts and distribution of variable compensation must not impair the institutions' ability to strengthen their equity as required;
- as for all employees, the variable component may not exceed 100% of the fixed component. Nevertheless, the General Meeting of Shareholders can vote to apply a higher maximum ratio provided that the total variable component never exceeds 200% of each employee's fixed component;
- as for all employees, a portion of the variable compensation is deferred over three years and is acquired in tranches subject to performance conditions. The proportion to be deferred is, however, higher for identified staff;
- as for all employees, a portion of the variable compensation is paid in Crédit Agricole S.A. shares or instruments linked to the performance of the Crédit Agricole S.A. share. The proportion paid in instruments is, however, higher for identified staff;

- the vesting of each deferred tranche is followed by a six-month lock-up period. Part of the non-deferred compensation is also subject to a six month retention period.

2 – Deferred vesting rules

Individual variable compensation comprises two separate parts:

- Short-term, non-deferred variable compensation;
- Long-term, deferred and conditional variable compensation that represents 40% to 60% of the total individual variable compensation.

The system set up promotes staff members' involvement in the medium-term performance of Crédit Agricole CIB and risk control.

In practice, due to the proportionality principle, members of staff for whom the variable share of compensation is below a threshold defined at Group level are excluded from the scope of the deferred vesting rules, unless otherwise required by local regulators in the countries where Crédit Agricole CIB does business.

The deferred portion varies depending on the total variable compensation awarded for the financial year. The higher the variable compensation, the higher the deferred portion of the total variable compensation.

The vesting conditions are as follows: vesting in thirds over three years following the allocation and subject to the same vesting conditions (presence, performance, risks).

In the interests of consistency and alignment with the overall performance of the Company, a deferred variable compensation system also applies to Crédit Agricole CIB employees who do not fall in the category of identified staff.

3 - Payments in securities or equivalent instruments

For identified staff, payment in shares or equivalent instruments represents:

- the total deferred portion of the variable compensation;
- up to 10% of the non-deferred variable compensation.

Accordingly, at least 50% of the variable compensation of identified staff is awarded in shares or equivalent instruments.

Payments are made at the end of a retention period, in accordance with the regulations. This retention period, which is defined at Crédit Agricole S.A. Group level, is six months.

Any hedging or insurance strategy that seeks to limit the scope of the risk alignment provisions contained in the compensation system is prohibited.

1.4.5 Compensation of Senior Executives-Corporate Officers

The compensation policy applicable to Crédit Agricole CIB's Senior Executives-Corporate Officers falls within the framework of the compensation policy for Crédit Agricole S.A.'s Senior Executives.

A – GENERAL COMPENSATION PRINCIPLES

The compensation policy for the members of Crédit Agricole CIB's Executive Management is approved by the Board of Directors on the basis of a proposal by the Compensation Committee. This policy is reviewed annually by the Board of Directors in order to take into account changes in the competitive environment and context.

It is consistent with the compensation policy applicable to all of the Crédit Agricole S.A. Group's Senior Executives. This principle makes it possible to bring together the Group's major stakeholders around common, shared criteria.

In addition, the compensation of members of Crédit Agricole CIB's Executive Management complies with:

- the regulatory framework defined by the Monetary and Financial Code and the Decree of 3 November 2014 on internal controls in credit institutions and investment firms, which transposes in France the European provisions on compensation of staff identified who are Executive Corporate Officers;
- the recommendations and principles of the Corporate Governance Code for Listed Companies ("AFEP-MEDEF Code").

Pursuant to a proposal by the Compensation Committee, each year the Board of Directors reviews the compensation components for members of the Executive Management, with the principal objective of recognising long-term performance.

B – FIXED COMPENSATION

Pursuant to a proposal of the Crédit Agricole CIB Compensation Committee, the Board of Directors establishes the fixed compensation of Crédit Agricole CIB's Executive Management, taking into account:

- the scope of the activities under their responsibility;
- practices in the market and the compensation paid to persons holding similar positions. On an ongoing basis, with the assistance of specialised firms, studies are conducted at the Group level on the positioning of the compensation of the Company's Executive Corporate Officers compared to other companies in the financial sector in order to ensure the consistency of the compensation principles and levels.

In accordance with the AFEP-MEDEF Code recommendations (paragraph 23.2.2), a review will be carried out on the fixed compensation of Executive Corporate Officers only after relatively long maturities, unless a change in the scope of the supervisory duties justifies a re-examination of the 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

Each year, the Board of Directors, on the recommendation of the Compensation Committee and subject to the approval of the General Meeting, determines the amount of the variable compensation due for the financial year ended 31 December for each of the Executive Corporate Officers.

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 the Executive Management, the annual performance bonus is based 50% on quantifiable criteria and 50% on qualitative criteria, thereby combining recognition of overall performance with a balance between financial and managerial performance. At the recommendation of the Compensation Committee, the Board of Directors approves the quantifiable and qualitative criteria proposed.

The performance bonus may reach the target level in the event of achieving all the financial and non-financial objectives and may reach the maximum level in the event 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's Executive Management.

A Long-Term Incentive may be added to this bonus for Senior Executives of the Crédit Agricole S.A. Group, in order to encourage sustainable performance beyond the financial results and strengthen its relationship with compensation, with a special focus on the impact on society. It is awarded following managerial assessment and is an integral part of the variable compensation subject to the approval of the Board of Directors.

In accordance with the AFEP-MEDEF Code (paragraph 23.2.3), the variable compensation is capped and may not exceed the maximum levels set out in the compensation policy.

2 - Vesting conditions for the annual variable compensation

The deferred part of the annual variable compensation, which can represent 40% to 60% of the amount awarded, is paid in the form of instruments indexed on the performance of the Crédit Agricole S.A. share, the vesting of which depends on three targets being met: one linked to performance, a second depends on presence within the Group and a third on 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 itself depends on three targets:

1. the intrinsic financial performance of Crédit Agricole S.A., defined as the growth in Crédit Agricole S.A.'s operating income;
2. the relative performance of the Crédit Agricole S.A. share compared with a composite index of European banks;
3. the societal performance of Crédit Agricole S.A. measured by the FReD index.

For each criterion, vesting may vary from 0% to 120%. Each criterion accounts for one-third of the achievement of the performance condition. For each year, the achievement of the performance condition is the average percentage vested for each criterion, which is capped at 100%.

The non-deferred portion of the total annual variable compensation, which can represent 40% to 60%, is paid in part at the award date (subject to the approval of the General Meeting) and in part after a six-month lock-up period, this latter part being indexed to the performance of Crédit Agricole S.A..

D - STOCK OPTIONS - FREE SHARES GRANTED

No Crédit Agricole S.A. stock options have been allocated to Executive Corporate Officers since 2006.

No bonus shares were awarded to Executive Corporate Officers in 2020.

E - OTHER COMMITMENTS

1 - Retirement

Within Crédit Agricole CIB, there is a closed (before 2014) supplementary pension plan, for which the incremental entitlements are only vested when the beneficiary finishes their career at Crédit Agricole CIB and are expressed as a percentage of a base called the reference salary which is equal to the average of the last three years of fixed compensation plus the average of the gross bonuses awarded over the last thirty-six months (the average of the bonuses being limited to half of the last fixed salary). This defined-benefit pension plan, introduced by unilateral company decision pursuant to Article L. 911-1 of the French Social Security Code, is subject to management outsourced to a body 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 laid down by Article L. 137-11 of the French Social Security Code.

The benefit of this supplementary pension plan, which was subject to the regulated agreements procedure and the details of which appear in the Statutory Auditors' special report for the 2016 and 2018 financial year, was taken into account by Crédit Agricole CIB's Board of Directors in the determination of the total compensation of the Executive Corporate Officers. It potentially benefits Mr François Marion, Deputy Chief Executive Officer.

With regard to the other Crédit Agricole CIB Executive Corporate Officers with an employment contract with Crédit Agricole S.A., namely: Mr Jacques Ripoll, Chief Executive Officer since 1 November 2018; he potentially benefits from the common supplementary pension plan for Senior Executives of the Crédit Agricole group, which Crédit Agricole CIB did not join. 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 fixed compensation and variable compensation, the latter being taken into account up to a cap of 60% of 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 concerned, 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 1.2% of the reference compensation 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 laid down by Article L. 137-11 of the French Social Security Code.

2 – Severance payment

No severance payment due or likely to be due in the event of termination or change of function is expected for the corporate officers of 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.

Otherwise, these would be subject to a regulated agreements procedure. A non-compete clause put in place by Crédit Agricole S.A. for Mr Jacques Ripoll as part of its employment contract which will not be financially supported by Crédit Agricole CIB.

F - OTHER BENEFITS OF THE EXECUTIVE CORPORATE OFFICERS

Executive Corporate Officers benefit from health cover, life and disability cover and a car benefit.

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 2020

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 2020

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 2020 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	€3,000 per meeting with an annual cap of €23,500
Risk Committee	Annual flat rate: €30,000	€3,000 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

At 31 December 2020

Background:

- the Company is 100%-owned by the Crédit Agricole Group (Crédit Agricole S.A. owns more than 97% of the Company's shares);
- the Company's governance is therefore in line with that of the Crédit Agricole Group.

The composition of the Board 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.	The compensation, objectives and performance of the Deputy Chief Executive Officers are reviewed and discussed by the Compensation Committee at meetings which these Executive Management members do not attend. In addition, the presentation of the Compensation Committee's conclusions to the Board of Directors and the Board's deliberations thereon are made without their presence, which enables the Board to discuss the way in which the Deputy Chief Executive Officers perform their duties. It is recalled that the mandate of Chief Executive Officer within Crédit Agricole CIB is an honorary appointment.
20. Directors must hold shares on their own behalf and own a minimum number of shares, which is significant with respect to the Directors' fees allocated.	The Company'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.	Mr 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.	The Company'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 the Company'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 the Company'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 THE COMPANY'S CAPITAL AND OTHER INFORMATION PROVIDED FOR IN ARTICLE L.22-10-11 OF THE FRENCH COMMERCIAL CODE

Capital structure

At 31 December 2020, the Company'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. The Company'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 the Company and no securities holders with special control or voting rights.

To the Company'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 point 1.2.2. The conditions for transferring Company shares and the rules relating to the appointment and to the replacement of Board members result from the provisions of the Articles of Association (articles 7 and 9 of Articles of Association). All changes to the Articles of Association are of the competence of the Extraordinary General Meeting (Article 22 of the Articles of Association reproduced in section 8 of the Universal Registration Document).

1.8 INFORMATION ON DELEGATIONS FOR CAPITAL INCREASES

At 31 December 2020, 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 MANGEMENT COMMITTEE

THE COMPOSITION OF THE CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK'S EXECUTIVE COMMITTEE AT 31 DECEMBER 2020 WAS AS FOLLOWS:

▪ Jacques RIPOLL	Chief Executive Officer
▪ François MARION	Deputy Chief Executive Officer
▪ Jean-François BALAŸ	Deputy General Manager
▪ Olivier BÉLORGEY	Finance and Procurement
▪ Didier GAFFINEL	Global Coverage and Investment Banking
▪ Pierre GAY	Global Markets Division
▪ Anne-Catherine ROPERS	Human Resources
▪ Stéphane DUCROIZET	Risk & Permanent Control

AS AT 31 DECEMBER 2020, THE MANAGEMENT COMMITTEE CONSISTED OF THE EXECUTIVE COMMITTEE AND:

▪ Régis MONFRONT	Senior Coverage & Investment Banking Officer
▪ Marc-André POIRIER	SRO Americas
▪ Michel ROY	SRO Asia-Pacific
▪ 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
▪ Hélène COMBE-GUILLEMET	Global Investment Banking
▪ Frédéric COUDREAU	Global IT
▪ Arnaud D'INTIGNANO	Global Markets Division
▪ Thomas SPITZ	Global Markets Division
▪ Arnaud CHUPIN	Head of Internal Audit
▪ Laurent CHENAIN	International Trade & Transaction Banking
▪ Bruno FONTAINE	Legal
▪ Éric LECHAUDEL	OPC - Operations, premises & Countries COOs
▪ Jacques de VILLAINES	Structured Finance

AS OF 1 JANUARY 2021, FOLLOWING CHANGES IN GOVERNANCE, THE EXECUTIVE COMMITTEE IS FORMED 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 General Manager - Risk and Permanent Control
▪ Pierre DULON [1]	Deputy General Manager - Global IT and OPC - Operations, premises & Countries COOs
▪ Didier GAFFINEL	Deputy General Manager - Global Coverage and Investment Banking
▪ Anne-Catherine ROPERS	Deputy General Manager - Human Resources

(1) From 1 April 2021

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2020 BUSINESS REVIEW AND FINANCIAL INFORMATION

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€5.9 B

NET BANKING INCOME

N°1 in FRANCE

ON CORPORATE BONDS [1]

[1] *Source Dealogic.*

N°3 IN EMEA

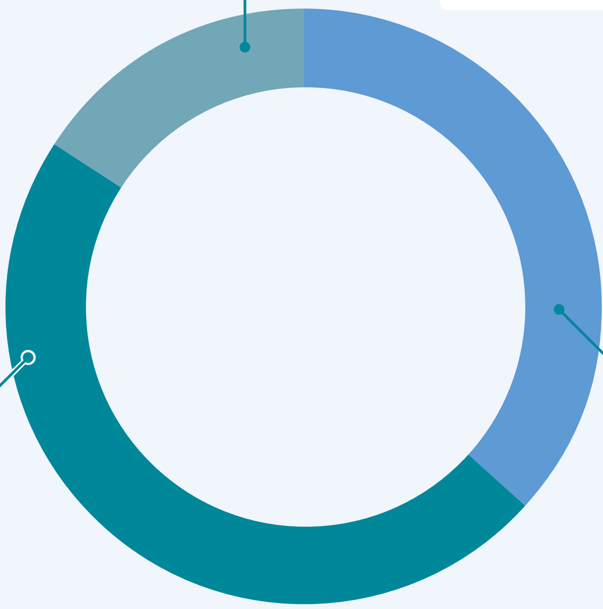
IN SYNDICATED FINANCE ACTIVITIES [1]

[1] *Bookrunner – Source Refinitiv R17.*

€128 B

ASSETS UNDER MANAGEMENT (WEALTH MANAGEMENT)

UNDERLYING [(1)] NBI BY BUSINESS LINE IN 2020
in € MILLION



€820 M
WEALTH MANAGEMENT

€2.546 M
FINANCING ACTIVITIES

€2.530 M
CAPITAL MARKETS AND INVESTMENT BANKING

(1) Restated for the impact of loan hedges, the DVA, and the FVA liquidity cost;

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 2020 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 2019.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2020 and that must be applied in 2020 for the first time.

Changes in consolidation scope

Changes in scope between 1 January 2020 and 31 December 2020 were as follows:

COMPANIES FIRST TIME CONSOLIDATED IN 2020

The following companies entered the scope of consolidation:

- Crédit Agricole CIB QFC Branch
- Fixed income derivatives - Structured Fund PLC

COMPANIES DECONSOLIDATED IN 2020

The following companies went out of the scope of consolidation:

- CA Indosuez Wealth (Europe - Italy)
- Calixis Finance
- Calliope srl
- DGAD International SARL
- Sagrantino Italy srl
- Sococlabecq
- Placements et réalisations immobilières (SNC)
- Héphaïstos EUR FCC
- Héphaïstos GBP FCT
- Héphaïstos USD FCT
- Vulcain EUR FCT
- Vulcain Multi-Devises FCT
- Vulcain USD FCT
- Elipso Finance S.r.l

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1.2. ECONOMIC AND FINANCIAL ENVIRONMENT

Overview of 2020

The year 2020, initially marked by an orderly slowdown in the global economy, financial markets made to feel optimistic by the reduction in uncertainties (including a China-US trade agreement) and lasting accommodative monetary policies, will obviously be marked by the effects of the Covid-19 epidemic. Covid-19 is a shock unprecedented in nature firstly due to its disruption of the real economy: an external event that has impacted the economy globally and affects both supply and demand by forcing entire business sectors into inactivity, while at the same time causing consumption to contract with the resulting unintentional accumulation of extensive savings. The magnitude of the shock is another point of difference, being much greater than the 2008-2009 crisis. As early as April, the IMF thus delivered a forecast of a contraction of world GDP of -3% in 2020 (compared to a -0.1% decline in 2009). In June, the IMF stated that it expected a recession of -4.9% in 2020 followed by a recovery of 5.4% in 2021. In October, the forecasts of a recession followed by global recovery were both slightly revised (-4.4% followed 5.2%) to finally be revised favourably in January 2021 (-3.5% and 5.5%).

To cushion the anticipated recession and prevent the public health and economic crisis from being coupled with a financial crisis, we have thus witnessed the rapid and generalised implementation of monetary and budgetary support policies unprecedented in terms of size and capacity to overcome constraints. In monetary matters, central banks have had recourse to diverse combinations of various tools, while pursuing similar targets: easing of financing conditions, efficient transmission of monetary policy, better functioning of the financial and credit markets and, in the case of the ECB, easing of tensions on the most vulnerable sovereign bond spreads in the Eurozone. Thanks to massive support plans (partial unemployment, aid to the most vulnerable populations, temporary reduction in social contributions, deferral of tax charges and social security costs, public guarantees on loans to companies, government equity investments), the budgetary policies have sought to soften the shock by limiting the destruction of jobs and production capacities in order to ensure the best possible restart, once the pandemic has passed. While monetary and budgetary policies have made it possible to avoid a financial crisis and attenuate the recessionary effect of the pandemic, its effect has nonetheless been considerable but of varying magnitude by country depending, notably, on the countries' structural features (structure of GDP, employment, weight of different sectors), how robust they were precrisis, their public health strategies and how much leeway they had.

In the United States, in mid March, the Federal Reserve took a series of radical easing measures [(1)], some of which were then extended and supplemented in order to ensure a supply of liquidity to banks and markets (unlimited asset buying, expansion of the universe of purchasable securities). This accommodative stance was also reinforced by the adoption of average inflation targeting which explicitly allows the inflation target to be exceeded after periods in which inflation has been consistently below 2%. After its December meeting, the Federal Reserve made it clear that it would maintain an accommodative stance and its key rates at zero for an extended period as evidenced by the 'dot plot', in which the median projection of members of the FOMC shows unchanged rates until at least 2023. While feeling comfortable with the current set up, the Fed has said it was ready to do more (more bond purchases and/or maturity extensions) if necessary.

The US budgetary response was also rapid (March) and massive, in the form of a support plan known as the Coronavirus Aid, Relief, and Economic Security (CARES) Act (totalling nearly $2,200 billion (i.e.10% of GDP) aimed at providing financial assistance or relief to households and businesses, but also to hospitals and states. The flagship measures included the direct stimulus payment to low and moderate income households, an unemployment insurance assistance plan (authorising the extension of unemployment benefits which normally fall under the competence of the states), financial support to SMEs ($350 billion), loans to large corporates, to states and local governments ($500 billion), the release of loans to hospitals ($150 billion). An additional budget plan ($484 billion i.e. just over 2% of GDP), aimed at strengthening the CARES Act of March and "lengthening" the loan program for SMEs, was adopted in April.

In 2020 [(2)], the US budget deficit therefore widened by nearly 10 points to 14.9% of GDP, while the debt grew by +20 percentage points to reach 100% of GDP. Activity nonetheless fluctuated throughout the year. After a decline of -1.3% in the first quarter (non annualised quarterly change), the decline in GDP in the second quarter was violent (-9%) but followed by a more sustained rebound than expected (+7.5 % in the third quarter). Owing to the resurgence of the pandemic, the improvement in the labour market came to a halt in December (after peaking at 14.8% in May, the unemployment rate reached 6.7% against 3.5% before the crisis). In the fourth quarter, economic activity grew only +1%. Despite massive monetary and budgetary support, the recession in the end stood at -3.5% (-2.5% in 2009); GDP was 2.5% below its precrisis level (end of 2019) and inflation reached 1.4% at end December.

In the Eurozone, from March onwards, the ECB deployed aggressive accommodative measures which it then adapted to prevent any undesirable tightening of financial conditions: increase in Quantitative Easing (additional envelope of €120 billion), launch of a new temporary purchasing program (Pandemic Emergency Purchase Program or PEPP of €750 billion, initially until the end of 2020, purchases not constrained by the limit of holding no more than 33% of any one bond or issuer, which makes for easier compliance with the capital distribution key), introduction of transitional Long Term Refinancing Operations (LTRO) until June 2020 (with more favourable conditions as well as less stringent rules for collateral), easing of the TLTRO III conditions, new long term refinancing operations Pandemic Emergency Longer Term Operations (PELTRO) and, lastly, measures to alleviate the solvency and liquidity constraints on the banking sector. At the end of December, faced with the more severe impact of the second wave of the pandemic on the short term scenario and the high uncertainties about growth (for which it revised the 2021 forecast down-wards from 5% to 3.9%), the ECB sent a very clear signal of substantial and, above all, lasting presence; it renewed its incentive to lend to banks and its commitment to limit pressure on the risk premiums of vulnerable sovereigns: recalibration of the third series of targeted longer term refinancing operations (TLTRO III, extension until June 2022 of the period during which very favourable conditions adopted in terms of interest rates [(3)] and easing of collateral apply), three additional operations planned for 2021 (June, September, December), increase in the total amount that the counterparties will be authorised to borrow during TLTRO III, four additional refinancing operations (PELTRO, from March to December 2021 for a period of one year), additional budget of €500 billion dedicated to the PEPP (a total of €1,850 billion), extension of the horizon for net purchases to the end of March 2022, reinvestment of principal repayment of maturing securities extended at least until the end of 2023.

The Eurozone's fiscal policy also quickly took an expansionary turn with national measures (support for the healthcare system, businesses and employment, public guarantees on new business loans). By easing constraints on national policies through the suspension of budgetary rules, the European Commission enabled the countries to respond immediately to the crisis. Faced with such diverse national latitudes that posed the risk of a detrimental fragmentation to the market and to the single currency, the pooling of resources was essential. The existing funds were first mobilised [(4)] As the scale of the crisis became clear, new pooled resources financed by debt emerged: the SURE fund (support to mitigate unemployment risks, €100 billion), investment guarantees by the EIB (€200 billion), a proposal from the European Commission in favour of a recovery and reconstruction support fund, redistributing in favour of the poorest countries and those most affected by the crisis: the Recovery Fund (i.e. €750 billion raised by bond issue guaranteed by the EU budget).

In 2020, the boost to the economy provided by fiscal policy was slightly less than 4 percentage points of GDP on average in the Eurozone. Coupled with the cyclical deterioration of the budget balance (4 percentage points of GDP), the public deficit widened by almost 9.3% on average in the Eurozone and led to a sharp increase in public debt (almost 18 points on average to reach just over 104% of GDP). Despite monetary and fiscal arrangements, the economy nonetheless evolved with the pandemic and the mobility restriction measures it imposed. After an already substantial decline in the first quarter (-3.7% quarter on quarter), GDP fell by -11.7% in the second quarter before recording a spectacular rebound that was more robust than expected (+12.5%). In the last quarter, the decline was less severe than expected (-0.7%). While inflation fell back (-0.3%, year on year in December; 0.3% on average), the recession thus reached 6.8% in 2020 (compared to -4.5% in 2009),

(1) Rate cut of 100 basis points (Fed funds range at [0; 0.25%]) of the marginal lending facility rate (discount window of 1.5% to 0.25%), lower reserve requirement rate, asset purchase program ($500 billion in Treasuries and $200 billion in mortgage-backed securities, MBS), liquidity for specific segments (Commercial Paper Funding Facility, Money Market Mutual Fund Liquidity Facility), forward guidance (no interest rate hike until the public health crisis is overcome and the economy evolves in line with its inflation and employment targets).

(2) 2020 fiscal year ended in September.

(3) 50 basis points (bp) below the refinancing rate for all outstandings and 50 bp below the deposit rate for any net outstandings equal to the level of outstandings granted between October 2020 and December 2021. The precondition for benefiting from this strong incentive to lend is therefore clear: the existing support must not be reduced.

(4) Reorientation of unused cohesion funds from the EU budget in the amount of €37 billion, guarantees to SMEs provided by the European Investment Bank (EIB), use of funds still available from the European Stability Mechanism (ESM) in the amount of €240 billion (or 2% of the area's GDP).

leaving GDP down -5.1% on its level at end 2019 and showing significant differences between the large Eurozone countries. For example, in Germany, after almost zero growth in the fourth quarter, GDP recorded an average contraction of 5.3% over 2020, which remains "limited" notably in view of the financial crisis of 2009 (a -5.7% decline).

In France, after a sharp rebound, the lockdown in November led to a smaller than expected contraction in GDP (-1.3% in the fourth quarter), less than estimated. Over full year 2020, GDP fell by -8.3%, a shock much greater than that of the 2009 crisis (-2.9%), but ultimately lower than what had been anticipated in the scenario of December or by the economists 'scenario which planned a contraction by around 9%. With a less maturity and extent, the second lockdown has been less negative for the economy than the spring's one. Thus, the level of activity in the fourth quarter is lower by 5% compared to the fourth quarter 2019, last quarter with a "normal" level of activity, whereas the second quarter 2020 was lower by 18.8%. In the fourth quarter, the contraction of activity is mainly due to the decline in consumption, caused by administrative closures and curfew measures. On the other hand, the investment continues its recovery thanks to the continuation of the activity in sectors such as building, and capital goods production.

By posting even moderate growth (around 2.3%), China was ultimately the only G20 economy not to have suffered a recession in 2020. After a historically low first quarter, Chinese activity was revived thanks to a policy focused on supply (support for companies through public orders and lines of credit). A two speed recovery has thus started with, on the one hand, a V shaped recovery for industrial production, exports and public investment and, on the other hand, a more gradual rebound in consumption, private investment and imports. Despite the recovery, almost a year after the public health crisis, some stigmas are still visible: retail sales, just like certain service activities (requiring a physical presence) have not caught up to their 2019 level and job creation is still insufficient to offset the destruction that took place in early 2020 and absorb new entrants.

In 2020, monetary activism made it possible to prevent the economic crisis from being coupled with a financial crisis: a clear success in view, on the one hand, of the shock to the real economy and, on the other hand, of the threats that hovered at the beginning of the year, particularly within the Eurozone. In the wake of a powerful wave of risk aversion, in March, the German ten year interest rate plunged to -0.86%, a low quickly followed by a violent widening of risk premiums paid by the other countries. Risk premiums offered by France, Spain and Italy peaked at 66 basis points (bp), 147 bp and 280 bp, respectively, in mid March. Completed by the European Recovery Fund, the monetary policy measures rolled out by the ECB made it possible, if not to significantly raise German rates, then to avoid a fragmentation of the Eurozone and to encourage the appreciation of the euro against the dollar (9% over the full year). At end December, while the Bund stood at -0.57%, French, Italian and Spanish spreads were only 23 bp, 62 bp and 111 bp respectively. US rates (10-year US Treasuries), which started from 1.90% at the beginning of the year, fell back to 0.50% in March and then moved within a relatively narrow range (0.60%-0.90%). At its 15-16 December meeting, the Fed opted for the status quo but confirmed that it was still possible, if necessary, to increase its bond purchases and extend their maturity. Rates therefore rose slightly before quickly easing off. Having followed a slow upward trend since the summer, rates ended the year at 0.91%. Finally, the abundance of liquidity and the commitment to maintain accommodative monetary conditions provided by central banks supported riskier markets. Thus, for example, while American and European equities posted declines of respectively -30% and -37% in mid March compared to their level at the beginning of January, they ended the year with a respectable rise (+14%) and a limited decline (-6.5%).

1.3. CONSOLIDATED ACTIVITY AND RESULTS

Condensed consolidated income statement

▶ 2020

€ million	Underlying CIB [1]	Non-recurring [1]	Stated CIB	Private Banking	Corporate Center	CACIB	Underlying CIB Change 2020/2019	Underlying CIB Change 2020/2019 at constant rate
Net banking income	**5,076**	**22**	**5,097**	**820**	**17**	**5,934**	**+8%**	**+9%**
Operating expenses	(2,810)	-	(2,810)	(685)	(3)	(3,499)	+4%	+6%
Gross Operating Income	**2,265**	**22**	**2,287**	**134**	**13**	**2,435**	**+13%**	**+14%**
Cost of risk	(824)	-	(824)	(32)	-	(856)	x5.3	x5.4
Share of net income of equity-accounted entities	-	-	-	-	-	-	-	-
Gain/losses on other assets	1	-	1	3	-	4	(95%)	(95%)
Pre-tax income	**1,443**	**22**	**1,464**	**105**	**13**	**1,583**	**(23%)**	**(22%)**
Corporate income tax	(220)	(6)	(226)	(11)	29	(209)	(42%)	(40%)
Net income from discontinued or held-for-sale operations	-	-	-	(25)	-	(25)	nm	-
Net income	**1,223**	**15**	**1,238**	**69**	**42**	**1,349**	**(18%)**	**(17%)**
Non-controlling interests	(1)	-	(1)	10	-	8	nm	-
Net income, Group Share	**1,224**	**15**	**1,240**	**59**	**42**	**1,341**	**(18%)**	(17%)

[1] Restated for the impact of loan hedges, DVA and FVA component of issuer spread impact for +€11 million and +€11 million respectively.

▶ 2019

€ million	Underlying CIB [1]	Non-recurring [1]	Stated CIB	Private Banking	Corporate Center	CACIB
Net banking income	**4,699**	**(65)**	**4,635**	**824**	**(1)**	**5,459**
Operating expenses	(2,690)	-	(2,690)	(729)	(3)	(3,422)
Gross Operating Income	**2,009**	**(65)**	**1,945**	**95**	**(3)**	**2,037**
Cost of risk	(156)	-	(156)	(10)	-	(165)
Share of net income of equity-accounted entities	4	-	4	-	-	4
Gain/losses on other assets	20	-	20	32	-	52
Pre-tax income	**1,878**	**(65)**	**1,813**	**117**	**(3)**	**1,927**
Corporate income tax	(379)	16	(364)	(20)	29	(355)
Net income from discontinued or held-for-sale operations	-	-	-	-	-	-
Net income	**1,498**	**(49)**	**1,449**	**97**	**26**	**1,572**
Non-controlling interests	-	-	-	19	-	19
Net income, Group Share	**1,498**	**(49)**	**1,449**	**78**	**26**	**1,553**

[1] Restated for the impact of loan hedges and DVA and FVA component of issuer spread impact-€44 million and -€21 million respectively in 2019.

After an unprecedented contraction in Q2, economic activity picked up around the world in Q3. The extent of the rebound depended on when the pandemic hit each country, the health strategy, the precrisis economic situation, the structure of the economy and government leeway in terms of monetary and fiscal policy. At the end of the third quarter, there were signs of a slowdown, fuelling concerns about the resilience and sustainability of the rebound. However, in the eurozone, the risk of a massive early withdrawal of fiscal support measures seems to have been ruled out for 2021, providing some breathing space before this risk materialises. In addition, the main central banks' refinancing rates are set to remain at rock bottom for some time, while unconventional monetary policies are keeping risk-free rates very low and yield curves flat.

Against this background, underlying CIB revenues rose by +8% at current exchange rates and +9% at constant exchange rates compared to 2019. This increase in revenues was mainly due to the outperformance of capital market and investment activities (+16% at current exchange rates), due to clients' liquidity and hedging needs during the crisis. Financing activities, meanwhile, recorded good growth levels at constant exchange rates, with contrasting performances between business lines, reflecting the effects of the crisis on different sectors of the economy. However, some sectors and activities also benefited from a sharp increase in revenues, for example Debt Optimisation and Distribution, which recorded a high volume of activity due to the increase in liquidity consumption.

CACIB's leading positions in a number of sectors (#3 All bonds in EURO [1], #1 All French corporate bonds [2], #1 Syndication in France [3], #3 Syndication in EMEA [4], #2 Worldwide in Global Green and Sustainability Bonds [5] reflect efforts to enhance client relationships during the crisis.

Expenses rose +4% at current rates (+6% at constant rates). This increase in expenses was mainly due to extraordinary items such as the Single Resolution Fund (SRF).

Excluding the SRF, the underlying CIB cost/income ratio came out at 50.8% in 2020, down by 3pp on 2019.

Gross operating income stood at €2,265 million at current rates.

The cost of risk was multiplied by five due to the health crisis, with a peak recorded in Q2-20. Provisions for impairment of stage 1 & 2 assets accounted for around 86% of the increase in the cost of risk in financing between 2019 and 2020.

Crédit Agricole CIB Group's net income Group share amounted to €1,341 million.

1.4. RESULTS BY BUSINESS LINE

Financing activities

€ million	Under-lying 2020 *	Under-lying 2019 *	Change 2020/2019	Change 2020/2019 at constant rate
Net Banking Income	2,546	2,524	+1%	+3%
Operating expenses	(1,132)	(1,041)	+9%	+10%
Gross Operating Income	**1,413**	**1,483**	**(5%)**	**(1%)**
Cost of risk	(796)	(132)	x6	-
Share of net income of equity-accounted entities	-	4	nm	-
Gain/losses on other assets	1	15	(94%)	-
Pre-tax income	**618**	**1,371**	**(55%)**	-
Corporate income tax	17	(257)	nm	-
Net income	**632**	**1,114**	**(43%)**	-
Non-controlling interests	(2)	(2)	20%	-
Net income, Group Share	**637**	**1,115**	**(43%)**	-

** Restated for the impact of loan hedges in net banking income for +€11 million in 2020 and -€44 million in 2019.*

Revenues from Financing activities rose by +1% at current exchange rates, and by +3% at constant rates. Revenue growth was driven by the sharp rise in revenues from Debt Optimisation and Distribution activities, with an increase in outstandings due to the health crisis. The crisis generated an exceptional volume of activity with an increase in liquidity consumption, while acquisition financing activities expanded due to a growing portfolio and major transactions.

Structured finance activities held up, but the crisis was evident in the slowdown in origination throughout 2020, in particular on the product lines the most impacted by the crisis. While sectors such as Telecoms experienced strong growth in a very buoyant market in 2020, other sectors such as asset financing and energy and infrastructure recorded a moderate decline in revenues.

Revenues from International Trade and Transaction Banking increased with the development of the Supply Chain and Cash Management business line.

Financing activities contributed €637 million to net income Group share, down 43% compared to 2019, mostly due to rise in the cost of risk in 2020 as a result of the health crisis.

4

Capital markets and investment banking

€ million	Under-lying 2020 *	Under-lying 2019 *	Change 2020/2019	Change 2020/2019 at constant rate
Net Banking Income	2,530	2,175	+16%	+17%
Operating expenses	(1,678)	(1,650)	+2%	+2%
Gross Operating Income	**852**	**526**	**+62%**	**+68%**
Cost of risk	(27)	(24)	+15%	-
Share of net income of equity-accounted entities	-	4	nm	-
Pre-tax income	**825**	**507**	**+63%**	**-**
Corporate income tax	(237)	(122)	+94%	-
Net income	**588**	**385**	**+53%**	**-**
Non-controlling interests	1	2	-64%	-
Net income, Group Share	**587**	**383**	**+53%**	**-**

** Restated for the impact of DVA and FVA component of issuer spread impact for +€11 million in 2020 and -€21 million in 2019.*

Capital markets and investment banking revenues were up +16% on 2019 at current exchange rates, driven by the strong performance of market activities. All activities benefited from strong client activity owing to clients' hedging needs in a volatile environment. In particular, corporate debt posted a record performance, driven by primary market activity in all sectors, which was boosted by hedging requirements and central banks' accommodative monetary policies. Treasury also performed very well thanks to the low interest rates Monetary policy. Repos and Secured Funding revenues increased against a backdrop of market stress and thanks to the expansion of its product range.

[1] Sources: Refinitiv N1
[2] Sources: Dealogic
[3] Sources: Refinitiv
[4] Sources: Refintiv R17
[5] Sources: Bloomberg

Investment banking posted a modest rise in revenues, masking the sharp increase in ECM activities.

Equity revenues were also up thanks to business development, limiting the impact of the market environment (cancellation of dividends).

Capital markets and investment banking contributed €587 million to net income Group share, up 53% compared to 2019.

Wealth Management

€ million	2020	2019	Change 2020/2019
Net Banking Income	820	824	(1%)
Operating expenses	(685)	(729)	(6%)
Gross Operating Income	**134**	**95**	**+41%**
Cost of risk	(32)	(10)	x3
Gain/losses on other assets	3	32	(89%)
Pre-tax income	**105**	**117**	**(10%)**
Corporate income tax	(11)	(20)	(43%)
Net income from discontinued or held-for-sale operations	(25)	-	nm
Net income	**69**	**97**	**(29%)**
Non-controlling interests	10	19	(50%)
Net income, Group Share	**59**	**78**	**(24%)**

In 2020, Wealth Management revenues were down slightly at current exchange rates (-1%), due to the adverse effects of the health crisis and the drop in USD interest rates, which were partially offset by the rise in performance fees (particularly in Q4-20).

Expenses were down (-6%), mainly due to additional cost savings.

Gross operating income rose sharply (+41%).

The cost of risk was penalised by one exposure. Excluding this exposure, the business line recorded very few operational losses despite the crisis.

At the end of December, assets under management amounted to €128 billion, down against 31 December 2019 mainly due to an adverse €/$ exchange rate effect.

Corporate Centre

€ million	2020	2019	Change 2020/2019
Net Banking Income	17	(1)	nm
Operating expenses	(3)	(3)	+18%
Gross Operating Income	**13**	**(3)**	**nm**
Corporate income tax	29	29	+0%
Net income, Group Share	**42**	**26**	**+64%**

The Corporate Centre division includes the various impacts not attributable to the other divisions.

In 2020, net banking income included the removal of the discount on VISA shares while expenses mainly consisted of the contribution to the Covid-19 solidarity fund. Tax was calculated by applying the tax rate to the taxable base and tax income related to the cost of AT1 issuance.

In 2019, net banking income included the valuation of equity investments, while expenses included IT costs and tax was calculated by applying the tax rate to the taxable base and tax income related to the cost of AT1 issuance.

1.5. CRÉDIT AGRICOLE CIB'S CONSOLIDATED BALANCE SHEET

Assets

€ billion	31.12.2020	31.12.2019
Cash, central banks	54.4	58.3
Financial assets at fair value through profit or loss (excluding repurchase agreements)	161	144.3
Hedging derivative Instruments	1.5	1.6
Financial assets at fair value through other comprehensive income	11.3	9.6
Financial assets at amortised cost (excluding repurchase agreements)	201.2	196.3
Current and deferred tax assets	1	1.1
Repurchase agreements	125.9	106.6
Accruals, prepayments and sundry assets	34.8	32.5
Non-current assets held for sale and discontinued operations	0.5	-
Property,plant, equipment and intangible assets	1.3	1.4
Goodwill	1	1
Total assets	**593.9**	**552.7**

At 31 December 2020, Crédit Agricole CIB had total assets of €593.9 billion, up by €41.2 billion compared to 31 December 2019.

MONEY MARKET AND INTERBANK ITEMS

Crédit Agricole CIB has access to all major international liquidity centres and is very active in the largest financial markets (Paris, New York, London and Tokyo), which enables it to optimise its interbank lending and borrowing within the Group.

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS EXCLUDING REPURCHASE AGREEMENTS

Financial assets and liabilities at fair value through profit or loss increased by €16.7 billion and €11.2 billion respectively over the period. On the asset side, they consist mainly in the positive fair value of interest rate derivatives and of the portfolio of securities held for trading, while on the liabilities side they reflect the negative value of derivatives and securities sold short. The increase in outstandings is mainly due to the decline in long yields.

FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST EXCLUDING REPURCHASE AGREEMENTS

The increase in financial assets at amortised cost stems mainly from financing activities. The increase in financial liabilities at amortised cost is mainly due to the rise in long-term refinancing (TLTRO) and term borrowings.

Liabilities

€ billion	31.12.2020	31.12.2019
Central banks	0.8	1.8
Financial liabilities at fair value through profit or loss (excluding repurchase agreements)	190.8	179.6
Hedging derivative Instruments	1.7	1.3
Financial liabilities at amortised cost (excluding repurchase agreements)	251	232.9
Repurchase agreements	85.4	77.6
Current and deferred tax liabilities	2.1	2.4
Accruals, deferred income and sundry liabilities	33.3	28.6
Liabilities associated with non-current assets held for sale and discontinued operations	0.5	-
Provisions and Insurance compagny technical reserves	1.4	1.4
Subordinated debt	4.3	5
Equity - Group share	21.2	20.5
Non-controlling interests	0.1	0.1
Net income (loss) for the year	1.3	1.5
Total liabilities and equity	**593.9**	**552.7**

ACCRUAL AND DEFERRED INCOME AND SUNDRY ASSETS AND LIABILITIES

Accruals, deferred income and sundry assets and liabilities consist mainly of security deposits on market and brokerage transactions. The increase in these items is explained by the decrease in rates.

EQUITY - GROUP SHARE

Net equity Group share (excluding profit (loss) for the period) came to €21.2 billion, up by €0.7 billion compared with 31 December 2019. This increase was mainly due to retained earnings (€1 billion), an issue of AT1 securities (€0.5 billion) less interest payments (€0.3 billion), and the change in gains and losses recognised directly in equity (€0.5 billion).

1.6. RECENT TRENDS AND OUTLOOK

2021 Outlook

The economic outlook is still clouded by major uncertainties related to problems in exiting the public health crisis (persistent virulence of the pandemic, more contagious virus mutations, a new rise in infections, and ongoing uncertainty about whether vaccination will lead to immunity). The profile and pace of growth will therefore continue to be impacted by the pandemic and the delicate trade-off between growth and public health safety. After a lacklustre first half, recovery should be very modest and very disparate, despite monetary and budgetary infusions. The major economies will continue to be helped out by massive budgetary support, highly accommodating monetary policies and favourable financial conditions. While some key markers may still fall (as in the scenario of negative interest rates in the UK, which cannot be ruled out), it seems that easing exercises have come to an end (in the sense that there will be no new tools) and reliance will now have to be on improving/extending existing mechanisms. Budgetary policy will be decisive in delivering short-term support and then stimulating the economy once the situation is "normalised". As is being demonstrated in Japan, where monetary innovation seems highly advanced, budgetary policy is playing a more direct role in reducing the output gap. This has the support of Bank of Japan, which is acting as an "integrated stabiliser" of long rates by controlling the yield curve.

In the United States, at a time when the resurgence of the virus poses a risk of sharp deceleration in first half 2021, the election of Joe Biden as President and the control of both houses of Congress by the Democrats is expected to result in additional stimulus measures on top of the $900-billion deal negotiated at the end of 2020. In fact, Joe Biden has already proposed a new stimulus bill worth $1.9 trillion. However, political constraints make it unlikely that a bill of that size will pass (a stimulus of around $1 trillion is more likely). In January, the Federal Reserve, with its wait-and-see attitude, extended its status quo [(1)], while noting that the economy was slowing, that its scenario for boosting economic recovery in the second half was contingent on the progress of immunisation and that rumours of tapering were premature. Consequently, while budgetary support could contribute 1 percentage point to US growth, growth will not start to accelerate until the second half, once the vaccine rollout is more widespread and restrictions are eased, at which point it should be close to 4% (as an annual average).

In the Eurozone, uncertainty as to when the pandemic will be under control and the lack of a clear view of the economic situation will continue to weigh on spending decisions, both by consumers (risk of precautionary savings) and investors, throughout 2021. The risk of a massive and early withdrawal of budgetary support measures seems to be ruled out for 2021: the risk (including of business failures and increased unemployment) is expected to materialise later, once business activity begins to return to normal. Our scenario assumes growth in 2021 close to 3.8% (with a now-downward bias). Depending on structural characteristics (sectoral composition of supply and employment, services weighting, export capacity, adequacy of exported products, etc.) and national strategies (health/economy trade-offs, abundance and effectiveness of support measures), there will be enormous diversity in both the impact of the crisis and the speed and strength of the recovery. Our scenario assumes average growth rates close to 2.5% in Germany, 5.9% in France and 4% in Italy. At end 2021, the Eurozone's GDP is expected to be 2.4% below its precrisis level (i.e. at end 2019). While this gap should be limited to 2% in Germany, it is expected to be close to 7.4% in Spain and around 2.2% and 3.9% in France and Italy respectively.

The announcements made by the ECB in December removed any prospect of normalised monetary policy. The ECB has offered reassurance that there will be no early rise in interest rates while additional budgetary efforts are being rolled out and guaranteed its presence in the sovereign market until 2023. It is working to maintain the credit supply provided in recent months, ensuring banks have favourable conditions. In the medium term, the key issues are therefore less about the sustainability of public debt than about governance and the ability to mobilise public funds to organise a response to the crisis.

The United Kingdom left the single market and customs union on 1 January 2021, with a last-minute free-trade agreement. This avoids customs duties and quotas (subject to compliance with fair competition rules and rules of origin) but involves significant non-tariff barriers. Frictionless trade in goods and services has therefore come to an end, as has the free movement of people. In addition to the disruptions associated with setting up a new post-Brexit relationship, there are also the consequences of the pandemic: following a major contraction in 2020 estimated at -11.1%, growth is expected to be close to 4.5% in 2021, leaving GDP at the end of 2021 3.8% below its 2019 precrisis level.

In emerging markets, after a contraction of just under 3% in 2020, recovery looks to be close to 5.5%. However, this figure masks substantial diversity: an optical illusion that conceals both the immediate effects of the crisis, mostly the result of monetary and budgetary constraints that are more severe in emerging markets than in the developed world, and its lasting consequences in the form of a widening of the structural gap between the emerging markets in Asia and the others. Asia (particularly North Asia) has suffered less and is getting ready to rebound, led by China. At the fifth plenum, the Chinese authorities made public the initial objectives of the country's 14th Five-Year Plan. The plan aims for "sound and sustainable development" promoting "quality growth" with no formal economic growth target, perhaps to allow for more flexibility in economic policymaking. China is expected to rebound strongly in 2021 (+8%) before returning to its projected trajectory in 2022 (+5.1%). However, it seems unrealistic to count on China's momentum to invigorate Asia and promote the recovery of the rest of the world given the experience of 2009. With most of the catching-up now done, growth in China has slowed, and the country no longer has the means to tow the rest of the world in its wake. And nor does it want to. Its latest socalled "dual circulation" strategy, aimed at limiting its dependence on overseas markets, is proof of this.

A slow, uncertain and probably chaotic recovery, multiple uncertainties and monetary easing are all conditions conducive to maintaining extremely low interest rates. It will be necessary to wait until favourable news finally emerges, in terms of public health as well as the economy, before recovery can start to take shape – a start limited by the absence of inflation and excess capacity. In the meantime, progress made by the Eurozone can be judged by past interest rate changes: clear solidarity has avoided fragmentation, risk premiums paid by the socalled "peripheral" countries have been tightened, and the euro has put in a solid performance. Our

(1) Target range of the Federal funds at 0-0.25%; net purchases of securities at $120 billion per month, i.e. 2/3 Treasury securities and 1/3 MBS; forward guidance on key rates consisting of tolerating a "moderate" overshoot of the inflation target for "some time"; forward guidance on asset purchases indicating that they will continue at least at the current pace until "substantial progress" is made towards employment and inflation targets.

scenario therefore assumes US and German 10-year sovereign rates of close to 1.50% and -0.40% respectively at end 2021, coupled with spreads of 20 basis points (bp), 50 bp and 100 bp above the Bund for France, Spain and Italy where it is assumed that political tensions will ease.

In keeping with a scenario where recovery might even be slow, timid and unsynchronised, the dollar could depreciate very slightly against the euro and currencies that are more procyclical or driven by risk appetite. The dollar's depreciation would, however, be tempered by the resurgence of Sino-American tensions that weigh on Asian currencies in particular: the current crisis has only temporarily overshadowed the dissent between the United States and China. While the timetable is uncertain (the US still has to install the new administration, manage its domestic problems and rebuild its global alliances), and despite the fact that Joe Biden's presidency augurs a change in tone, the roots of the conflict remain. The rise of protectionism and political risk hampered hyper-globalisation: the crisis should favour greater regionalisation of growth centres, as evidenced by the signing of the Regional Comprehensive Economic Partnership uniting China, ASEAN member countries and key US allies (Australia, South Korea, Japan and New Zealand).

Crédit Agricole CIB outlook for 2021

Against a backdrop of unprecedented crisis, CACIB's performance indicators are solid, confirming the relevance of its business model. The high level of gross operating income and the very good cost/income ratio excluding the SRF, which met the target set in the business plan (<55%), allow management to be confident. While the high cost of risk due to the crisis dampened profitability, earnings remained close to the target set in the MTP.

The Group's results in terms of net banking income, RWA consumption and return on equity remain in line with the roadmap set in the 2022 Medium Term Plan.

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. It demonstrated this throughout 2020, enhancing client relationships by providing support and meeting their needs.

On the markets, the gradual, stable growth in derivatives (HIS) will continue in 2021, while the primary bond market will somewhat return to normal. Our clients' financing requirements and central bank intervention led to record primary bond market activity during the crisis. As the return to normal in 2021 is expected to see a decline in activity from the biggest issuers, who will prefer to access central bank funding directly, GMD will continue its efforts to grow its market share.

In corporate financing, the crisis generated an exceptional volume of activity with an increase in liquidity consumption, peaking in the second quarter of 2020. Since the third quarter, a return to normal has been seen, but clients will continue to need cash and CACIB will continue to meet their needs. Sectors such as EIG Power, Telecoms and Acquisition Finance, which have done well despite the crisis, will continue to grow in 2021.

Moreover, CACIB aims to grow and invest in 2021, and it expects its cost of risk to decline.

However, the outlook for 2021 will depend on the general environment and the strength of the recovery.

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	2020	2019
Net Banking Income	**-**	**-**
Loan hedges	11	(44)
DVA and FVA component of issuer spread	11	(21)
Total pre-tax exceptional items	**22**	**(65)**
Total exceptional items after tax	**15**	**(49)**

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	31.12.2020	31.12.2019
Interbank and similar transactions	154.8	147.6
Customer transactions	189.5	178.4
Securities transactions	34.4	38.9
Accruals, prepayments and sundry assets	180.9	153.5
Non-current assets	6.8	6.7
Total assets	**566.4**	**525.1**

Liabilities

	31.12.2020	31.12.2019
Interbank and similar transactions	85.6	75.0
Customer accounts	207.3	176.5
Debt securities in issue	31.3	47.8
Accruals, deferred income and sundry liabilities	214.3	198.6
Impairment and subordinated debt	12.5	12.4
Fund for General Banking Risks	-	-
Shareholders' equity (excl. FGBR)	15.4	14.8
Total Liabilities and shareholders' equity	**566.4**	**525.1**

At 31 December 2020, Crédit Agricole CIB (S.A.) had total assets of €566.4 billion, up by €41.3 billion compared to 31 December 2019.

Money market and interbank items

Interbank assets increased by €7.2 billion (+4.9%), with a decline of €5.4 million in central bank deposits, a fall of €9.8 billion in treasury bills, and an increase of €22.4 billion in amounts due from credit institutions (including €13.3 million in term and demand accounts and loans and €9.1 billion in reverse repurchase agreements).

Interbank liabilities increased by €10.6 billion (+14.1%), including a decline of €1.0 billion in amounts due to central banks and an increase of €11.6 billion in amounts due to credit institutions (including +€16.4 billion in term and demand accounts and deposits and -€4.8 billion in repurchase agreements).

Client transactions

Assets and liabilities on transactions with clients increased by €11.1 billion (+6.2%) and €30.8 billion (+17.4%) respectively.

On the assets side, the increase was primarily due to repurchase agreements, totalling €10.8 billion (+16.7%).

On the liabilities side, current accounts and repurchase agreements rose by €19.8 billion (+57.9%) and €13.8 billion (+22.2%) respectively.

Portfolio securities and debts represented by a security

Securities transactions on the assets side fell by €4.5 billion (-11.6%). Equities and variable-income securities accounted for €4.4 billion of this decline, mainly on the trading book.

Debt securities declined by €16.6 billion (-34.7%), 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 increase in “Accruals, prepayments and sundry assets and liabilities”, was €27.4 billion on the assets side (+17.8%) and €15.7 billion on the liabilities side (+7.9%).

Other assets were up by €4.8 billion, while Other liabilities declined by €1.8 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, rose by €22.6 billion on the assets side and €17.5 billion on the liabilities side.

Provisions and subordinated debt

Provisions were up slightly, by €0.3 billion, and subordinated debt decreased by €0.2 billion (-2.4%), with an increase in euro debt (+€1.2 billion) offset by a decrease in dollar debt (-€1.4 billion).

Fixed assets

Non-current assets were stable at €6.8 billion. They break down into €6.5 billion in equity investments and other long term investment securities and €0.3 billion in property, plant and equipment and intangible assets.

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, amended by decrees No 2021-211 of 24 February 2021. These information do not include banking and related transactions as we consider that they do not fall within the scope of the information to be provided.

	31.12.2020				31.12.2019			
€ thousands	≤ 30 days	> 30 days ≤ 60 days	> 60 days	Total	≤ 30 days	> 30 days ≤ 60 days	> 60 days	Total
Accounts payable	3,014	-	-	3,014	14,585	62	21	14,669

The median payment period for accounts payable at Crédit Agricole CIB is 21 days. Crédit Agricole CIB had outstanding amounts payable of €3.0 million at 31 December 2020, compared with €14.7 million at 31 December 2019.

Information on payment delays by Crédit Agricole CIB Paris' suppliers

Invoices received with late payment from Crédit Agricole CIB Paris' suppliers

	31.12.2020					
€ 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	21,866	5,537	1,637	634	1,492	9,300
Aggregate amount of the invoices concerned excl. VAT	563,232	305,359	59,068	15,230	20,021	399,678
Percentage of the total amount of invoices received during the year, excl. VAT	58.49%	31.71%	6.13%	1.58%	2.08%	-

Invoices received and not paid at the closing date whose payment term has expired

	31.12.2020					
€ 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 Law Eckert which came into force on 1 January 2016, every credit institution is required to publish annual information on inactive bank accounts. At 31 December 2020, Crédit Agricole CIB S.A. recorded 164 inactive bank accounts, for an estimated total amount of €16,592,032.38.

At the end of the 2020 financial year a total of €58,122.28 related to two inactive bank accounts held with Crédit Agricole CIB was transferred to the 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	31.12.2020	31.12.2019
Net Banking Income	4,815	3,944
Operating expenses[1]	(2,680)	(2,558)
Gross operating income	**2,135**	**1,386**
Cost of risk	(892)	(352)
Net Operating Income	**1,243**	**1,034**
Net gain/(loss) on fixed assets	(10)	728
Pre-tax income	**1,233**	**1,762**
Corporate income tax	(78)	(433)
Net allocation to FGBR and regulated provisions	-	-
Net income	**1,155**	**1,329**

[1] *Including depreciation, amortisation and impairment of property, plant and equipment and intangible assets.*

Net banking income for the 2020 financial year stood at €4.8 billion, €871 million higher than at 31 December 2019.

General operating expenses, including amortisation and provisions, increased by €122 million (+4.8%).

In view of these factors, gross operating income increased by €749 million to €2.1 billion at 31 December 2020.

The cost of risk was -€892 million in 2020, compared to -€352 million in 2019.

Net income on fixed assets came to -€10 million in 2020. As a reminder, the net income of €705 million recorded in 2019 was mainly comprised of gains on the disposal of shares in SAUDI FRANSI.

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 CACIB tax subgroup constituted with the subsidiaries that are members of the tax consolidation group.

The income tax expense for 2020 came to €78 million.

Crédit Agricole CIB (S.A.) recorded net income of +€1.16 billion in 2020, compared to +€1.33 billion in 2019.

2.3. FIVE-YEAR FINANCIAL RESULTS SUMMARY

Items	2016		2017		2018		2019		2020	
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	7,306	EUR	9,470	EUR	11,138	EUR	12,554	EUR	9,435
Profit before tax, amortization and reserves	EUR	1,223	EUR	3,017	EUR	1,004	EUR	1,895	EUR	1,339
Corporate income tax	EUR	281	EUR	(514)	EUR	(415)	EUR	(433)	EUR	(78)
Profit after tax, amortization and reserves	EUR	682	EUR	2,613	EUR	1,272	EUR	1,329	EUR	1,155
Amount of dividends paid	EUR	983	EUR	1,236	EUR	489	EUR	445	EUR	1,023
Earning per share (€)										
Profit after tax, before amortization and reserves	-	[1] 5.34	-	[2] 10.38	-	[3] 2.72	-	[4] 5.66	-	[5] 4.03
Profit after tax, amortization and reserves	-	[1] 2.42	-	[2] 8.98	-	[3] 4.37	-	[4] 4.57	-	[5] 3.97
Dividend per share	EUR	3.38	EUR	4.25	EUR	1.68	EUR	1.53	EUR	3.52
Staff										
Number of employees	-	[6] 6,473	-	[6] 6,768	-	[6] 7,371	-	[6] 7,410	-	[6] 7,555
Wages and salaries paid during the financial year (in € million)	EUR	1,000	EUR	1,014	EUR	1,037	EUR	1,081	EUR	1,105
Employee benefits and social contributions (in € million)	EUR	304	EUR	323	EUR	347	EUR	338	EUR	355
Payroll taxes (in € million)	EUR	34	EUR	39	EUR	42	EUR	41	EUR	39

[1] *Calculation made in relation to the weighted average number of outstanding ordinary shares over the period, or 281,517,355 shares.*
[2] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2017, or 290,801,346 shares.*
[3] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2018, or 290,801,346 shares.*
[4] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2019, or 290,801,346 shares.*
[5] *Calculation made in relation to the number of shares outstanding excluding treasury shares at the end of 2020, 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 31.12.2016	7,851,636,342	290,801,346
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**

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 "Corporate Governance" section on pages 69 to 122.

Trading in the Company's shares by Corporate Officers: a paragraph concerning 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 on pages 111 and 112 of this 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 this Universal Registration Document.

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RISKS AND PILLAR 3

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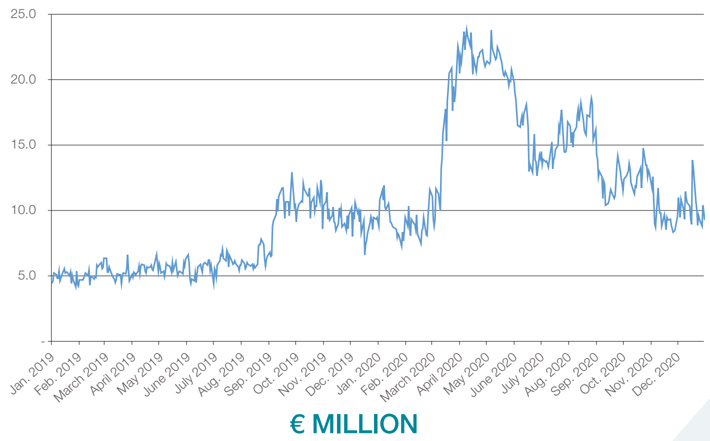
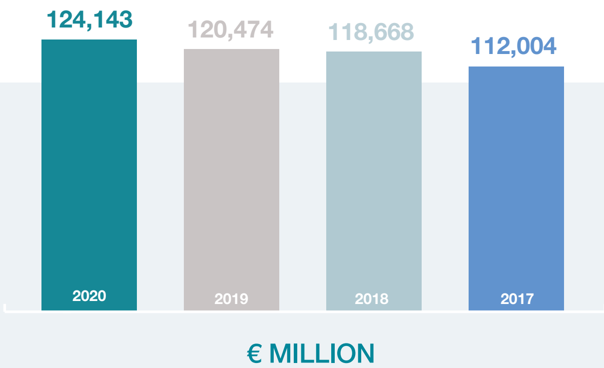
2019-2020 REGULATORY VAR OF CRÉDIT AGRICOLE CIB



CHANGES IN RISK-WEIGHTED ASSETS

Fully loaded Basel III



REGULATORY RATIO IN 2020

15.4% FULLY LOADED TIER 1 RATIO

3.54% LEVERAGE RATIO

11.7% FULLY LOADED CET1 RATIO

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C P3

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, i.e., that are likely to significantly affect its financial performance over the length of its medium-term plan. This list is approved annually by the Board of Directors, 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.

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 losses in on-balance sheet and off-balance sheet positions resulting from changes in market prices (also including equity risk in that portfolio).
- **Risk of changes in the value of equity investments:** Risk of a fall in the value of equity investments made in connection with private equity activity or with the intention of exercising significant influence over a company (trading and investment securities portfolios, wholly owned SPV-type entities and non-financial companies are excluded from the scope).
- **Foreign exchange risk (banking book):** Risk arising from structural foreign exchange positions (equity investments), as operational foreign exchange risk is systematically hedged.

Operational risks

- **Non-compliance risks/Legal risks:**
  - Non-compliance risk is the 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 is the 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:** 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:** This risk covers 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).

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 is by far the greatest risk.

A - Corporate & financial institutions risk

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 (ECL bucket 3 under IFRS9). Credit risk also includes the risk of a significant deterioration in a counterparty's risk profile, which is now reflected in cost of risk (ECL Bucket 1 and Bucket 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.

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.

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.

As at 31 December 2020, 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 €65.4 billion, equal to 53% of total risk-weighted assets.

[Please refer to paragraph 3.4.1.1 (Risk-weighted assets by type of risks) of Chapter 5 (Risks and Pillar 3) on page 220 of the 2020 Universal Registration Document and paragraph 3.4.2.1.1 (Exposure by risk type) on page 222.]

B - Sector and individual concentration risk

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. However, 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 2020, the three major sectors of Crédit Agricole CIB's exposure were Finance and insurance sector excluding central governments and central banks with €160 billion accounting for 31% of total exposures, manufacturing sector with €71 billion representing 14% of total exposures and transport and storage sector with €32 billion accounting for 6% of the total exposures.

[Please refer to paragraph 3.4.2.1.3 (Table CRB-D) on page 229 and 230 of Pillar 3 of Crédit Agricole CIB at end 2020.]

C – 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

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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 €18.7 billion as at 31 December 2020.

[Please refer to paragraph 3.4.1.1 (Risk-weighted assets by type of risks) of Chapter 5 (Risks and Pillar 3) on page 220 of the 2020 Universal Registration Document]

D – Securitisation risk

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.

RWAs related to this risk amounted to €8.5 billion as at 31 December 2020.

[Please refer to paragraph 3.4.1.1 (Risk-weighted assets by type of risks) of Chapter 5 (Risks and Pillar 3) on page 220 of the 2020 Universal Registration Document.]

E - Country and sovereign risks

As a result of its exposure, 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.

CACIB's exposures are distributed between the following countries: France, United Stated and Japan.

On all sectors, Crédit Agricole CIB exposures' amount is respectively as at 31 December 2020 of €180 bn, €62 bn and €32 bn representing respectively 34%, 12% and 6% of the 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).

Risk-weighted assets specific to this risk amounted to €2.2 billion as at 31 December 2020.

[Please refer to paragraph 3.4.2.1.4 (Table CR1-C) on page 234 of Pillar 3 of Crédit Agricole CIB at end 2020 and paragraph 3.4.2.1.1 (Exposure by risk type) on page 222.]

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 – Market risk

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.

Risk-weighted assets specific to this risk amounted to €6.6 billion as at 31 December 2020.

[Please refer to paragraph 3.4.1.1 (Risk-weighted assets by type of risks) of Chapter 5 (Risks and Pillar 3) on page 220 of the 2020 Universal Registration Document for quantitative information on market risk.]

B – Risk of change in the value of equity investments

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 2020, the prudential value of Crédit Agricole CIB's long-term holdings of equities was around €0.5 billion, principally in relation to Crédit Agricole Egypt.

C – Foreign exchange risk

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 and may adversely impact Crédit Agricole CIB's profitability.

D – Liquidity risk

Liquidity risk has two aspects: liquidity availability risk and liquidity price risk.

With regard to liquidity availability risk, CACIB 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. This situation may result from a systemic crisis (a financial crisis impacting all operators), an idiosyncratic crisis (specific to the Crédit Agricole Group or CACIB) 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 2020, Crédit Agricole CIB's liquidity coverage ratio (LCR), the prudential ratio to ensure the short-term resilience of the liquidity risk profile, was 151%, 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 in excess of the interest rate of government securities of the same maturity that is paid to debt investors). 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 CACIB 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+ [negative perspective] and AA- [negative perspective], respectively.

E - Risk of change in the value of the securities portfolio or issuer risk

Securities held in the banking book and recognised at fair value are purchased for the purpose of generating a return and/or managing liquidity reserves. Their value may fall as a result of changes to 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 2020, the gross outstanding debt securities held by Crédit Agricole CIB were close to €37 billion. Accumulated impairments and reserves and negative fair value adjustments due to credit risk were €36 million.

[Please refer to paragraph 3.4.2.1.4 (Default exposure and carrying amount adjustments) Table CR1-E of Chapter 5 (Risks and Pillar 3) on page 235 of the 2020 Universal Registration Document for quantitative information on the carrying amount adjustments made by Crédit Agricole CIB.]

F - Overall interest rate risk

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 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. 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.

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). Other risks of losses arising from inadequate or deficient internal processes, staff and systems or from external events are grouped into "Other operational risks" (B).

Risk-weighted assets specific to these risks amounted to €22.3 billion as at 31 December 2020.

A – Non-compliance risks and legal risks

a) Non-compliance risk: the risk of fraud

The mission of the Compliance function is 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.

The highest level of governance is invested in matters of combating financial crime.

In a context of increasing attempts at external fraud and of more complex operating methods (notably via cybercrime), the main challenges now lie in the proactivity of banking players. Fraud prevention thus aims to protect the interests of the Bank and protect clients. The fraud prevention system has been deployed in all Crédit Agricole CIB since 2018. Actions have been continued to control the risks of fraud in terms of steering the system, prevention and detection. Tools have been deployed to combat fraud in means of payment and fraudulent transfers. Awareness-raising is also essential in reinforcing vigilance measures.

Over the period 2018-2020, the breakdown of Crédit Agricole CIB's operational losses due to fraud amounted to around 36% of its total operating losses.

b) Non-compliance risk: risk arising from legal, arbitration or administrative proceedings

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 2020, provisions on operational risks amounted to €392 million for Crédit Agricole CIB. This amount includes legl 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-2020, Crédit Agricole CIB had operations in 38 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.

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).

[Please refer to paragraph 2.6.2 (Principal ongoing legal and tax proceedings) in Chapter 5 (Risks and Pillar 3) on pages 190 to 192 of the 2020 Universal Registration Document for further information concerning ongoing legal, arbitration and administrative proceedings in which Crédit Agricole CIB is involved, and to Note 6.15 (Provisions) of the consolidated financial statements of Chapter 6 (Consolidated financial statements) on pages 366 to 368 of the 2020 Universal Registration Document for further information concerning ongoing legal, arbitration and administrative proceedings in which Crédit Agricole CIB is involved.]

B - Other operational risks including Information System Security risks

Over the period 2018 to 2020, Crédit Agricole CIB's operational risk incidents covered the following: the "internal fraud" category represented 35% of operational losses, the "Execution, delivery and process management" category represented 33% of operational losses, the "employment practices" category represented 10% of operational losses and the "clients and commercial practices" category represented 6%. 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. Finally, "business disruptions and system failures" incidents accounted for 1% of operational losses.

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.

[Please refer to paragraph 3.4.1.1 of Chapter 5 (Risk-weighted assets by type of risks) of Chapter 5 (Risks and Pillar 3) on page 220 of the 2020 Universal Registration Document as well as paragraph 2.6.1 of the "Operational Risk management" section in Chapter 5 (Risk and Pillar 3) on page 189 of 2020 Universal Registration Document.]

4. OTHER RISKS

Other risks include:

- Business risk
- Climate risk

A – Business risk:

a) Systemic risk: potential negative impact of adverse economic and financial conditions

The businesses of Crédit Agricole CIB are specifically and significantly exposed to changes in the 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 2020, 43% of Crédit Agricole CIB's revenues were generated in France, 27% in Europe, 31% 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 revenues and increase the rate of default on loans and other receivables;
- 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 when conditions become 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;

In this respect, the spread of Covid-19 and the resulting government controls and travel bans implemented around the world have caused disruption to global supply chains and economic activity. As a result of the impact of lockdown measures on consumption, production difficulties, disruption in supply chains and the slowdown in investment, the epidemic has caused supply and demand shocks that have given rise to a marked slowdown in economic activity. Financial markets have been significantly impacted, with increased volatility, stock market indices declining precipitously, falls in commodity prices and credit spreads widening for many borrowers and issuers. The extent of the adverse impact of the pandemic on the global economy and markets over the long term will depend, in part, on its length and severity, and on the impact of governmental measures taken to limit the spread of the virus and its impact on the economy. Uncertainties continue to weigh on the health situation in Europe, with the introduction of new restrictive measures in France and in other European countries (curfews and further lockdown measures) and the emergence of variants of the virus. Additional measures are therefore likely to be rolled out as the pandemic evolves. Although vaccines were announced at the end of 2020, there is still some uncertainty over when the crisis will be over. There is significant uncertainty over the pace of change and how long governments' economic support measures (in particular, those of France and Italy) and those of central banks (especially the European Central Bank) will continue to be provided.

Beyond the Covid-19 crisis, 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, at least in the core countries (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, Brexit, tensions in the Middle East, 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) Systemic risk: potential impact of changes in laws and regulations

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. Whether these adjustments, new developments and changes in regulations as a result of the health crisis will be long-term or temporary is currently unclear, and it is therefore impossible at this stage to determine or measure their impact on Crédit Agricole CIB.

c) Strategic risk: potential impact of failure to achieve the objectives set out in CACIB's medium-term plan

On 6 June 2019, Crédit Agricole S.A. announced its medium-term plan up to 2022 (the "2022 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 in Asia and the Middle-East, 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 plans 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.

B - Climate risk

Crédit Agricole CIB is mainly subject to climate risk through counterparties to which it lends. 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, through the Medium-term Plan and its climate strategy, the Group is committed to completely moving away from thermal coal by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world.

Crédit Agricole CIB has committed to finance one out of every three renewable energy projects, to develop a range of green leasing products, to double the size of the green loan portfolio to €13 billion and to strengthen the Green Liquidity factor. Work will be carried out on attributing a transition rating to each large corporate client and on including ESG criteria in all loans to large corporates and gradually to SMEs.

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.

5. 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, 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.

(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

2. RISK MANAGEMENT

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 2020 risk appetite was approved by the Board on 13 December 2019.

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 CACIB 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.

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

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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 2020

The covid crisis has impacted the Bank during 2020, however without triggering many tolerance thresholds' breaches. The very significant impacts of the crisis have been partially mitigated by massive public support. A number of operational losses at the border of credit risk and operational risk (credit losses caused to a large extent by frauds at the clients) generated losses above the tolerance threshold for operational incidents.

CACIB's strategic choices, expressed within the MTP 2020-2022, have been confirmed by the crisis, however. CACIB's strategy remains therefore globally unchanged, without major adjustments. Thus, CACIB 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. Global Commodity Finance is going 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. CACIB also put in place heightened vigilance on geopolitical situations and on 5 sectors experiencing difficulties (aviation, automotive, shipping, tourism and hotels, oil & gas).

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 page 212;
- The Common Equity Tier 1 (CET1) 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 2020, Crédit Agricole CIB's regulatory RWAs stood at €124.1 billion (see page 220) and were below the Bank's tolerance threshold.

The internal economic capital needs are calculated using methodologies more adapted to CACIB 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 CACIB's risk-weighted assets. At 31 December 2020, the CET1 ratio stood at 11.7% (see page143) and is above the Bank's tolerance threshold.

LIQUIDITY

Key liquidity risk indicators include:

- resistance periods for short-term liquidity stress;
- the Stable Funding Position (PRS); and
- the Liquidity Coverage Ratio (LCR).

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. As far as the LCR is concerned, it 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.

At 31 December 2020, all of these indicators were compliant with the Bank's tolerance in this area. Note that the LCR of 151% far exceeds the regulatory requirement of 100%.

RISKS SPECIFICALLY MANAGED WITHIN THE CORPORATE AND INVESTMENT BANKING (CIB) AND WEALTH MANAGEMENT BUSINESS LINES

CREDIT

Crédit Agricole CIB's Corporate and Investment Banking 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 CACIB for any corporate group during an underwriting transaction on debt instruments (CIB only);

- the proportion of unsecured credit (Wealth Management only).

At 31 December 2020, 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 definition and calculation method on page 179); and
- adverse and extreme stress (see definition and calculation method on page 183), to quantify maximum loss in theoretical extreme market conditions which systematically contradict the Bank's positions.

At 31 December 2020, these indicators were below the Bank's tolerance threshold, in particular with a VaR of €9 million (see page 180).

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.

In 2020, CIB incurred a number of operational losses related to external frauds at the clients which generated or aggravated unitary credit losses, that went above the Bank's tolerance threshold. In accordance with Basel principles, these losses were accounted for in the cost of risk and did not impact the indicator "share of the cost of operational risk in net banking income" which, at 31/12/2020, remained below its tolerance threshold. Wealth Management incurrent a significant operational risk incident in 2020, which went above its own tolerance thresholds.

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

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 2020, these indicators were below the tolerance thresholds.

REPUTATIONAL RISKS

At 31 December 2020, 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 2020, the Board of Directors have considered at their meeting of 9 February 2021 that the risk management frameworks put in place by CACIB 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 and physical operational and technical 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, the 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

The 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;
- Crédit Agricole CIB's head of Risk and Permanent Control reports hierarchically to Crédit Agricole S.A.'s head of Group Risks;
- Crédit Agricole CIB's head of Risk and Permanent Control (who is a member of the Executive Committee) reports functionally to Crédit Agricole CIB's Chief Executive Officer.

It includes:

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 seven cross-functional departments dedicated to supervision and control:

- Supervision: Portfolio Models and Risk and MASAI programme (MRP), Central Management (MGC), Risks, Governance & Regulatory Topics (RGR) and Architecture and Project Management (APM);
- Control: Credit Administration and Monitoring (CAM), 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's Risk Committee and the Crédit Agricole CIB Board of Directors 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 approves the Bank's risk appetite, 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).

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 files 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 the files. Cases 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 Business Watch function attached to the Central Management Department, which aim to identify early signs of potential deterioration of counterparties previously considered to be sound. After a review of the information gathered, these meetings seek to take the most appropriate measures, depending on whether its conclusions are positive (signs ultimately considered innocuous or benign, not justifying at this stage a lack of confidence in the client) or negative (confirmation of concern necessarily resulting in a reduction of 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 as far upstream as possible potential deteriorations in our clients' risk profiles and implement preventive actions for our exposures whenever 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 BODIES

In addition to the Committees in charge of risks (CRC and CRM), risk management reports are also regularly presented to the following Executive Management bodies:

- Crédit Agricole CIB'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 bodies;
- the top-level Permanent Control Committee, which approves the functions assigned to Permanent Control, examines the Permanent Control systems of the Business Lines or branches, as well as cross-functional issues. It also supervises management of Crédit Agricole CIB Group's operational risks.

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 bodies:

- 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 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);
- 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 2019-24 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 and Permanent controls;
- documents circulated by Crédit Agricole S.A., relating to subjects including accounting (Crédit Agricole's accounting plan), financial management, Risk 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;
- formal and up-to-date delegations of powers;
- formal and up-to-date standards and procedures, especially for accounting and information processing.

These principles are supplemented by:

- 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 (Group Control and Audit).

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

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 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 2020.

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, an umbrella Permanent Control Committee, chaired by the Chief Executive Officer, 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 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 (DRG) and Operational Risk and Permanent Control at Crédit Agricole S.A. may sit in on all meetings. This committee met with the regularity agreed in 2019: two face-to-face committee meetings and two online committee meetings in 2020.

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 CCI is being held), either face to face or online.

Role of the supervisory body: 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 and its Committees are listed below and described in further detail in chapter 3, paragraph 1.2.4:

- 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 scrutiny by the Risk Committee, the specific risk strategies by country, profession or sector, that were introduced during the previous quarter by the Strategy and Portfolio 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 and risk measurement and monitoring 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 the Company's situation with regard to risk appetite. This information and these reports are reviewed beforehand by the Risk Committee;
- the Board 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 the Company'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;
- 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 position (capital levels, earnings) and strategic guidelines set by the supervisory body.

The Executive Directors define the Company's general organisation 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 the Company'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 its branches and subsidiaries in France and other countries, irrespective of whether they are under its sole control or joint control. The system is intended to govern and control activities, and to measure and monitor risks on a consolidated basis.

Each entity within the Crédit Agricole CIB Group applies this principle to its own subsidiaries, thus creating a 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 Group Control and Audit.

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

The controls, which 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 umbrella 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 report on internal control (RCI).

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.

Permanent, first degree 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.

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 controls (or, more frequently referred to as “2.2”) 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 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 Risk Committee, chaired by the Head of Risk, who is a member of CACIB’s Executive Committee, brings together risk department managers, representatives of the business lines concerned and from IT, and monitors the projects selected:

- the aim of the RADaR (Risk Analytics Data Reporting)/PRISM project is to provide risk and non-risk employees (Front Office, Back Office and Finance and Procurement) with a single platform that covers all counterparty and credit risk data, thereby integrating, in a data-centric manner, the computing libraries developed by quantitative risk research teams.
- Technical obsolescence/upgrades: a project that aims to technically improve and upgrade systems that requiring development to facilitate functional maintenance and operability and reduce operational risk.

Regulatory projects & CA Group:

- operational or technical developments relating to regulatory changes such as Anacredit, Nouveau Défaut, linked clients.

Current projects:

- A set of major changes to existing systems (rating, approvals, calculation engines, monitoring of outstanding loans/authorisations, operational risk tools) aimed at meeting new business needs or recommendations from the various audit authorities.

MASAI FRTB Project:

Project led by RPC and sponsored by GMD and RPC, aims 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 vis-à-vis regulation 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 in 2020.

Credit risk

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 made using risk strategies defined for each major scope (country, business line, sector) specifying the major guidelines (target client group, types of products authorised, overall budgets and unit amounts envisaged, etc.) within which each geographic entity or business line must focus 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 the recommendation of the RPC.

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

Country risks

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

Market risks

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

- the New Activity or New Product Committees, organised by business line, allow the Market Risk teams, among others, to pre-approve business developments;
- the Market Risk Committee (MRC), which meets once a month, coordinates the whole market risk management system and approves the market risk limitations;
- the Liquidity Risk Committee (LRC) aims to frame and manage the CACIB liquidity risks and to ensure the implementation of Group standards for liquidity risk monitoring at operational level;
- the Pricers Validation Committee is in charge of the presentation and formal approval of the pricers validated during the year.

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

- global measurements using market risks framework through the Value at Risk (VaR), the Stressed Value at Risk (SVaR) and stress measures; VaR and SVaR measurements are produced with a 1% probability of daily occurrence; stress scenarios include general stresses (historical, hypothetical and adverse) and specifics stresses for each activity;
- specific measurements using sensitivity indicators and notional measurements.

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

In 2020, the market risks recasting project continues through several components, the implementation of FRTB SA, the declension of IPV monitoring indicators, the decommissioning of the market risks set of tools to the MASAI centric 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 top-level 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 via an accounting certification questionnaire in which the Heads of Finance commit to adhere to 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 updates the operational risk maps 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 Group Control and 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 Senior 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.

As regards credit risk, the LGD Project Finance and PD Private Banking credit models were re-calibrated in 2020; prior notification to the European Central Bank (ECB) was given before the implementation of these new models in our information systems. In addition, all PD and LGD models were back tested in 2020, and the results of this work will be presented to Crédit Agricole CIB's Executive Committee in the first half of 2021 and then to Crédit Agricole S.A.'s Standards and Methodology Committee. In addition, benchmarking of our internal ratings was performed on the Low Default Portfolio perimeters (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 European Banking Authority (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. In 2021, the RCP/MRP teams will continue to work on bringing internal models into line with the guidelines published by EBA (IRB Repair).

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 2020.

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 risks mapping updated annually. 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 section 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 and basis risk positions in the main currencies other than the euro and the dollar were implemented.

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 Asset and Liability Management 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 during 2020 in liquidity risk management were the following:

- the strengthening of the liquidity stress mechanism, covering:
- the introduction of the new stress standard approved by the CNM on 17 October 2019
- automation of the calculation of liquidity stress via an agile platform and the extension of the scope of the stress tests to all major currencies (vs. all currencies and US dollars previously)
- carrying out reverse stress tests and calculating the post-stress test LCR
- The strengthening of the organisation for collecting stable client funds in order to support the growth of its financing activities and to adapt the level of inflows to the bank's needs.
- Continued improvements to the reliability of the daily LCR signal, as part of the work of the backtesting committee.

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, and providing the necessary support to the Bank's Departments 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 issued in terms of market transactions by which the Legal function discourages completion of the market transaction in question 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 CACIB and the Deputy Chief Executive Officer of CACIB responsible for Finance.

The Head of the Legal Department has hierarchical or functional authority, as the case may be, over head office legal officers and the legal officers of Crédit Agricole CIB Group entities, and over local legal officers.

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 performs permanent controls on legal risks arising from Crédit Agricole CIB's activities, products, services and transactions, along with the operational risks generated by the Legal function itself.

It also provides legal consultations to Business Lines and Support Functions, involvement in legal negotiations of transactions, legal watch operations, staff training, standard contract modelling, legal policies and procedures issuing, the collaboration to decision-making bodies and procedures as required by the Bank's governance rules. The Legal function systematically takes part in the process of approving new products and activities and in major lending decisions.

In 2020, the Legal function continued to improve its permanent control and legal risk monitoring system, in particular through the following actions:

- it updated its Permanent Control KIT, which identifies the key processes of the Legal Function at the Head Office and which is intended for Legal Function Operational Risk Representatives outside France;
- it updated its operational risk mapping to take account of the risks associated with the Covid-19 crisis that occurred in early 2020;
- it updated its control plan and formalised the results of controls on external legal expenditure worldwide;
- it followed up on the Group Control and Audit Department's recommendations, particularly those resulting from the 2019 Audit of the Legal Function in New York, and implemented and closed all recommendations at the end of 2020;
- it continued its work on the Innovation project, which is one of the five pillars of the 2022 MTP of the Legal Function: deployment for the Paris-London platform of electronic signatures, both internally with the Bank's business lines and externally with counterparties and a contract automation solution; launch of the global deployment of an electronic document management solution.

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. In this context, two units dedicated to the handling of information security and business continuity issues are formed, one within ISS (Information Systems Security) and the other within the Operations, Premises & Countries COOs (OPC) division: 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 co-ordinates periodic reviews of employees' access rights to applications.

2020 will see the finalisation of the second necessary component for compliance with French regulations and the monitoring of the CARS plan initiated by the Group at the beginning of 2017 and completed in 2019-2020. The strengthening of Crédit Agricole CIB's main administrative networks has been reviewed and will be gradually implemented at Crédit Agricole CIB's four major sites from 2021 in collaboration with CA-GIP.

The main achievements and work carried out can be summarised as follows:

- continued deployment and completion of the new tool for monitoring level 1 and 2.1 controls, with international coverage;
- audits and penetration tests of all application resources of the CACIB group exposed to the Internet and all "regulated" application resources (regulatory monitoring);
- continued deployment of Internet access containerisation tool for back-office payment populations;
- continued deployment of encryption tools at workstations;
- continued deployment of a secure management tool for employee passwords on workstations;
- continued deployment of protection of generic accounts with high privileges by using specialised dedicated equipment to manage access codes and manage the escalation of privileges;
- continuation of the DLP (Data Leak Prevention) project, completion of the workstation component (End Point), Europe and France region;
- constant and systematic raising of awareness among employees, awareness-raising sessions in all Business Line Management Committees;
- reminders of security rules, Phishing drills (all departments, all users in France), reinforcement of processes on the consequences of repeated failures in phishing exercises, deployment of a new awareness-raising e-learning course on detecting attempted phishing, etc.;
- monitoring of indicators that allow access to databases of sensitive applications (ACPR recommendations for IT security) to be controlled via permanent control plans;
- campaigns by managers to re-certify the access credentials of all employees (all access credentials to sensitive applications recertified, around 600 applications, with security exemptions also taken into account);
- continued deployment of strong authentication (token and certificate holding access cards) on the payment applications perimeter;
- finalisation of the roll-out of NAC (Network Access Control);
- deployment of technical account management Workflow tools to manage requests and life cycle of the accounts;
- deployment of tools to standardise access rights recertification campaigns and better manage controls;
- roll-out of a new identity and authentication management platform to replace the former architecture (new Usignon platform, roll-out in conjunction with the introduction of applications for clients);
- work carried out with CA-GIP and the Cyberdefence Operational Centre (COC) teams to upgrade the operational model and

prepare for the transitions to be carried out in 2021 in the areas of SOC/SIEM and vulnerability scanning;
- integration of new tools for analysing and reviewing application code security, integration into CI/CD chains, multi-year security by design approach.

Several projects are scheduled for completion in 2021 (Network Access Control for London and Asia, the DLP project to be rolled out in the Americas, the continued roll-out of Internet access containerisation tools, SOC migration to integrate it into community infrastructure managed by CA-GIP, etc.), as well as compliance with regulatory requests (for example, roll-out of strong authentication in Asia), the roll-out of the Sentinel One tool to detect and block suspicious activity on workstations, and the launch of a multi-year project on introducing a dedicated administration information system for Paris, NY, London and Singapore that interacts with CA-GIP's administration networks. Work is also ongoing at CA Group level on strengthening our systems to combat threats posed by ransomware or cryptolocker attacks (including detection, prevention, mitigation and remediation aspects, which are being carried out through multiple projects including those listed above).

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. 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 responsible for the Support Functions.

2020 was marked by a health crisis that was unprecedented both in terms of scale, with all entities affected, and in terms of duration, with the pandemic beginning in Asia in January. This was managed without any major incidents thanks to our BCP systems, namely through the activation of:
- crisis management systems at the head office and in the international network (Incident Alert Team, Decision-making Crisis Unit and Operational Crisis Units)
- back-up sites that have enabled critical teams to be split up
- extreme BCP with the widespread use of remote working

In addition, regular communications took place with the network of BCP correspondents and employees.

Finally, the extreme BCP system has been improved through upgrades to IT infrastructure to allow a significant increase in the number of remote connections and the deployment of equipment for employees (laptops and soft tokens).

This health crisis did not prevent operational maintenance being carried out on the BCP in 2020 either at the Head Office or in the international network. Such work covered:
- employee awareness-raising sessions on BCP;
- the roll-out of a mandatory e-learning tool on BCP;
- a review of the sizing of the fall-back systems through the BIA (Business Analysis Impact) campaign;
- 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;

In terms of outsourcing projects (outsourcing, cloud, etc.), BCP is involved in defining and validating the service providers' backup solutions.

The main objectives for 2021 will be:
- to review head office's back-up strategy in the event of the unavailability of local working environments, staff or the mass unavailability of workstations;
- to redesign our crisis guidelines so that they are appropriate for the risk scenarios to be covered via the implementation of reflex sheets; the deployment of these instructions in the international network;
- to homogenise BIA (Business Impact Analysis) processes, particularly on the criticality of activities and applications;
- to continue awareness-raising and communication actions 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;

THE DEPLOYMENT OF A NEW BCP INTRANET. THIRD DEGREE CONTROLS

Periodic controls

The Group Control and Audit carries out periodic controls on Crédit Agricole CIB at all entities falling under its consolidated scope of supervision. The Group had 163 audit employees, 66 of whom were based at head office at the end of 2019.

As a third line of defence, the Group Control and Audit Department:
- analyses the control mechanisms referred to in Article 13 of the Decree of 3 November 2014 above, 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.

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 his 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.

The Group Control and Audit Department is divided into three teams whose Managers report directly to the Head of the Group Control and Audit Department: a global Audit team, a Methods and Support team and a manager for relationships with supervisors and control authorities.

During the 2019 financial year, the Group Control and Audit Department's missions 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 missions, 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 Department.

Auditing work essentially stems from the annual audit plan determined using an updated risk mapping approach as well as information provided by the Chief Executive Officer, 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 to the Chief Executive Officer of Crédit Agricole CIB and to the Head of Crédit Agricole's Group Control and Audit Department for their approval, and to the Risk and Audit Committees of the Board of Directors for their validation. The audit plan is then presented to the Board of Directors and the Internal Control Committee.

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 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 half yearly monitoring work;
- during thematic monitoring of audit assignments, or as part of investigations conducted as part of a planned audit;
- at the request of the department undergoing the audit via an "open counter" 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 follow up on the recommendations by business line were also held in 2019 in the presence of Executive Management, Internal Audit, 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 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.

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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 "Information under Pillar 3 Basel III" Credit risk - Use of credit derivatives section). Use of the securitisation mechanism is described in the "Information under Pillar 3 Basel III" Securitisation vehicles. Similarly, credit syndication with external banks and the attempt to hedge risks (credit insurance, derivatives, MRPAs etc.) are other solutions used to mitigate concentrations.

In particular, with respect to counterparty risk on market transactions, the group's policy on credit reserves constitution is twofold. On sound clients, a credit valuation adjustment ("CVA risk assessment") is recorded and consists in a generic provisioning, as for credit risk. Conversely, on defaulted counterparties, an individual provision is sized in accordance with the derivative instrument situation, taking into account the CVA amount already provisioned prior to the 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 Credit risk management

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 level 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

Crédit Agricole Group	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 devised using the expertise of the various financing business lines within Crédit Agricole CIB, or within the Crédit Agricole Group if they cover clients shared by the whole 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 the subject of a presentation to the Standards and Methodology Committee (CNM) for approval before internal validation by the Control and Audit function. They were also validated by the ACPR on 1 January 2008. Furthermore, each change in the internal model is now subject to an audit by the validation team within the Group Risk Management Department before being presented to the CNM for approval.

Corporates' internal ratings are monitored using a system common to the Crédit Agricole Group as a whole. This ensures that ratings are uniform throughout the Group and allows Backtesting work to be shared for common clients.

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

Backtesting aims to ensure the robustness, performance and predictive power of the Bank's internal models over time. This exercise also helps 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 PD (Probability of default) parameter, the following analysis is carried out:

- consistency between observed "through the cycle" (TTC) default rates and the master scale PDs (based on the calculation of a confidence interval around the TTC 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.

As such, the backtesting of default rates carried out on Crédit Agricole CIB's Large client portfolio in 2019 underlines the relevance of the 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 on 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 enters into 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.

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-sectorial criteria.

Stress scenarios are the final type of counterparty risk assessment tool. They are regularly produced to estimate the impact of economic scenarios (central, adverse) on some or all parts of the portfolio.

Sector 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 risks

Country risk is the risk that economic, financial, political, legal or social conditions of a foreign country will affect the Bank's financial interests. It does not differ in nature from "elementary" risks (credit, market and operational risks). It constitutes a set of risks resulting from the Bank's vulnerability to a specific political, social, macroeconomic and financial environment.

The system for assessing and monitoring country risk within Crédit Agricole CIB is based on an internal rating model. Internal country ratings are based on criteria relating to the financial soundness of the government, the banking system and the economy, ability and willingness to pay, governance and political stability.

The limits set at the end of 2011 for all countries with a sufficiently high volume of business, in line with procedures which are more or less stringent depending on the country's rating, were introduced in early 2013: country limits are set as often as necessary and generally on an annual basis for "non-investment grade" rated countries and are reviewed every two years for countries with higher ratings.

In addition, the Bank performs scenarii analysis to test adverse macroeconomic and financial assumptions, which give an inter grated overview of the risks to which it may be exposed in situations of extreme tension.

The scenarii defined by ECB are analyzed

The Group manages and controls its country risks according to the following principles:

- The determination of acceptable exposure limits in terms of country risk is performed during country strategy reviews based on the assessment of the degree of vulnerability of the portfolio to the materialization of country risk. This degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. These exposure limits may be reviewed more frequently if developments in a particular country make this necessary. These strategies and limits are validated depending on the issues in terms of risks by Crédit Agricole CIB's Strategy and Portfolio Committee (CSP) or Country Risk Committee (CRP) and by Crédit Agricole S.A.'s Risk Committee (CRG) as well as by Crédit Agricole CIB's Board of Directors;
- Country risk is maintained on a regular basis through the production and quarterly updating of ratings for each country in which the Group is exposed. Specific events may cause ratings to be adjusted apart from this schedule;

The unit in charge of country risk within the Risk and Permanent Control Department must issue an opinion on transactions whose size, maturity or degree of country risk could potentially affect the quality of the portfolio, according to a referral grid (amount rating duration etc. are the main criteria):

Country risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through specific and regular reports on all country exposures.

Sovereign risk exposures are detailed in Note 6.7 to the consolidated financial statements.

Counterparty risk on 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 internal methods to estimate the current and potential risk inherent in derivative financial instruments, taking a net portfolio approach for 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) were monitored by means of ad hoc exercises in 2020. 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 credit exposure at default 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 and derivative transactions with the central counterparties (CCP).

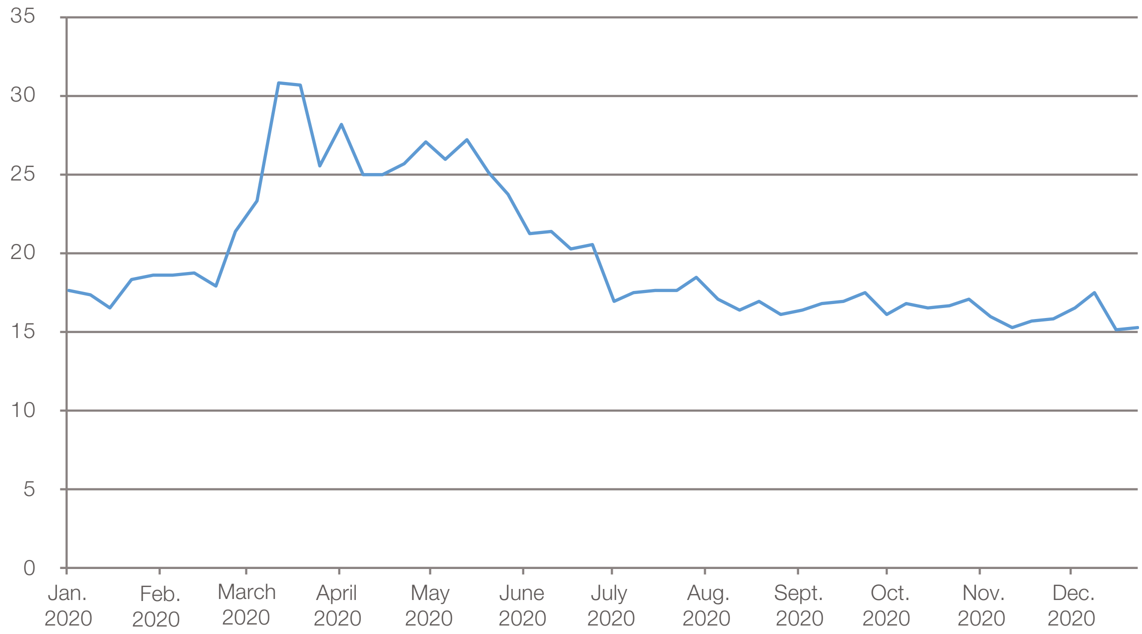
Credit risk on these market transactions is managed in accordance with rules set by the Group. The policy on setting counterparty risk limits is identical to the policy described in "Credit risk management General principles of risk taking" on page 158. The techniques used by Crédit Agricole CIB to reduce counterparty risk on market transactions are described in "Credit risk mitigation mechanisms" on pages 258 and 259.

Crédit Agricole CIB includes a credit valuation adjustment (CVA) in its calculation of the fair value of derivative assets. This value adjustment is described in Note 1.2 to the consolidated financial statements under accounting principles and policies and Note 11.2 on information about financial instruments measured at fair value.

The graphs below show the change in the CVA VaR and the stressed CVA VaR in 2020.

CVA VaR: 99% confidence interval, 1 day (€ million)

▶ **Stressed CVA VaR: 99% confidence interval, 1 day (€ million)**



The gross positive fair value of contracts as well as the benefits coming from compensations and securities held, and net exposure on derivatives, after the compensation and the securities' effects, are detailed in Note 6.9 to the consolidated financial statements concerning the compensation of financial assets.

2.4.3 Commitment monitoring procedures

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 monitored constantly 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 (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 business lines and specialised RPC decision making and management 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 recovery 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 Covid crisis has caused the stress-testing schedule to be revised to include additional exercises:

- budget simulations to assess the sensitivity of the 2019 budget forecasts to the Covid crisis;
- stress tests focused on specific portfolios particularly affected by the Covid crisis;

The economic scenarios used for the projection of risk parameters have been adapted to factor in the pandemic. The central scenario envisages a significant shock to the economic variables of 2020 (GDP, unemployment, property prices, etc.) then a gradual recovery before returning to the 2019 level at around the end of 2022.

The adverse scenario predicts a new recession in Q1 and Q2 2021 followed by a recovery, which in 2021 would achieve a moderate level of growth.

5

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 8 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 2020, outstanding protection purchased in the form of credit derivatives amounted to €6.8 billion (€6.4 billion at 31 December 2019). The notional amount of the short positions was nil (identical to 31 December 2019).

Crédit Agricole CIB trades credit derivatives with around ten top-tier investment grade, competent and regulated banks as counterparties. Moreover, 60% of these derivatives are processed through a clearing house (62% at 31 December 2019), 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 instruments: total commitments” (on page 312).

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 2019, Crédit Agricole CIB’s maximum exposure to credit and counterparty risk was €617 billion, compared with €609 billion as at 31 December 2018.

CONCENTRATIONS

◆ Breakdown of counterparty risk by geographic region (including bank counterparties)

At 31 December 2020, loans granted by Crédit Agricole CIB net of Export Credit Guarantees and excluding UBAF (i.e., €373 billion compared with €372 billion at 31 December 2019) are broken down by geographic region as follows:

Breakdown in %	31.12.2020	31.12.2019	31.12.2018
Other Western European countries	30.69%	29.0%	29.8%
France	24.44%	21.2%	21.2%
North America	17.47%	18.2%	18.4%
Asia (excluding Japan)	11.06%	10.9%	11.1%
Japan	7.46%	11.0%	10.1%
Africa and Middle East	4.46%	4.9%	4.9%
Latin America	2.46%	2.8%	2.6%
Other European countries	1.97%	2.1%	2.0%
Other and supranational	0.0%	0.0%	0.0%

Source: risk data (excluding UBAF, on- and off-balance-sheet commercial commitments of clients and banks, net of export credit guarantees).

The breakdown of loans and receivables as well as commitments granted to clients and credit institutions by geographic region is set out in Note 3.1 to the consolidated financial statements.

The overall balance of our portfolio in terms of geographical distribution is broadly stable when compared with 2019. The fall in the proportion of commitments in Japan should, however, be noted, which can be explained by the reduction in our deposit business with the Japanese central bank. The proportion of commitments in France increased from 21% to 24.4% between end-2019 and end-2020. This is due in particular to carrying out exceptional transactions to support our best French clients during the health crisis, particularly in the automotive and aerospace sectors.

Breakdown of risks by business sector (including bank counterparties)

At 31 December 2020, loans granted by the Crédit Agricole CIB Group, net of export credit guarantees (excluding UBAF), totalled €373 billion (€480 billion gross), compared with €372 billion in 2019.

The can be broken down by economic sector as follows:

Breakdown in %	31.12.2020	31.12.2019	31.12.2018
Bank	18.82%	21.12%	18.77%
Miscellaneous	16.86%	17.13%	17.82%
O/w Securitisations	9.49%	9.97%	10.21%
Oil & Gas	8.80%	9.46%	9.11%
Other financial activities (non-banking)	5.81%	5.53%	5.40%
Real estate	4.57%	4.73%	4.99%
Electricity	4.59%	4.18%	4.76%
Aerospace/Aeronautics	4.25%	3.84%	4.21%
Heavy industry	3.44%	3.46%	3.35%
Automotive	4.04%	2.81%	3.21%
Maritime	2.82%	2.90%	3.10%
Telecom	3.02%	3.32%	3.13%
Construction	2.42%	2.49%	2.79%
Insurance	2.37%	2.08%	2.63%
Other industries	3.08%	2.54%	2.50%
Other Transport	2.64%	2.36%	2.39%
Production & Distribution of Consumer Goods	2.66%	2.60%	2.45%
IT/Technologies	1.99%	2.37%	2.19%
Health/Pharmaceuticals	1.75%	1.91%	1.72%
Agri-food	1.61%	1.48%	1.67%
Tourism/Hotels/Restaurants	1.38%	1.18%	1.38%
Non-commercial services/ Public sector/Local authorities	1.78%	1.23%	1.08%
Media/Publishing	0.47%	0.56%	0.59%
Utilities	0.46%	0.42%	0.42%
Wood/Paper/Packaging	0.38%	0.28%	0.30%
Total	**100.00%**	**100.00%**	**100%**

Source: risk data (excluding UBAF, on- and off-balance-sheet commercial commitments of clients and banks, net of export credit guarantees).

The overall balance of the portfolio, in terms of the breakdown between the different sectors, has remained globally stable year-on-year. The changes reflect the bank's intention, on the one hand, to reduce its exposure to certain fragile sectors such as the shipping sector and, on the other hand, to support clients on exceptional transactions relating to the health crises, particularly in the automotive and aerospace sectors. The following should be noted:

- the fall in our commitments to banks (-11% compared with 31 December 2019) is largely due to the significant fall in our deposit business with the central bank of Japan. At 31 December 2020, our exposures represented €20 billion compared with €32 billion at the end of December 2019 in relation to the central bank of Japan;
- the majority of the Miscellaneous segment comprises securitisation transactions, mainly liquidity facilities granted to securitisation programmes financed through our conduits (see section 4.3 "Securitisation" of Pillar 3); these outstandings fell slightly in 2020. Other commitments relate to clients with highly diversified businesses (mainly wealth management and 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 who depend on the industry's investment levels (oil-related services) are the most sensitive to market conditions. After a severe crisis affecting the oil sector (in 2016), and despite an unprecedented fall in oil prices in the first half of 2020, our clients posted solid economic performances and our portfolio showed good resilience. Reinforced supervision has been maintained for the sector as a result of the significant fall in prices recorded in early 2020 (prices which recovered well in the second half of the year). Framed by a risk strategy and due to the volatility of prices, we have a very selective approach to the "Oil & Gas" sector and any new significant transaction is subject to an in-depth credit and CSR risk analysis where necessary;
- the "Electricity" sector is another component of the "Energy" exposure but has its own characteristics, and is separate from the sensitive 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. CACIB's portfolio, which was of excellent quality before the crisis, has shown its resilience but remains under close monitoring;
- "Aeronautics" sector financings involve 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. Commitments in the sector increased significantly in 2020 (€15 billion at 31 December 2020 compared with €10 billion at 31 December 2019) mainly due to the fact that we exceptionally made funds available to our best clients for 24 months for their liquidity needs as part of the current health crisis;
- 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 difficult years, shipping is showing signs of a moderate recovery, which varies between sub-sectors. With this in mind, Crédit Agricole CIB has pursued the strategy of gradually reducing our exposure since 2011. However, our portfolio is 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 2019. The sector has commitments to operators and suppliers. The commitments mainly comprise corporate financing. Unlike other sectors, the telecoms sector is showing itself to be resilient to 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 client type

The concentrations of loans and receivables by type of borrower and commitments given to credit institutions and clients are presented in Note 3.1.3 to the consolidated financial statements.

Outstanding loans and receivables amounted to €206.3 billion at 31 December 2019.

Concentrations of top ten counterparties (clients)

In terms of commitments, excluding export credit guarantees, these accounted for 6.60% of Crédit Agricole CIB's total exposure at 31 December 2020, stable compared to 31 December 2019.

Quality of portfolios exposed to credit risk

At 31 December 2020, performing loans to clients amounted to €373 billion of net outstanding loans. Their ratings broke down as follows:

Breakdown in %	31.12.2020	31.12.2019	31.12.2018
AAA (A+)	21.24%	22.1%	18.9%
AA (A)	4.96%	4.4%	5.1%
A (B+ and B)	27.34%	28.7%	30.3%
BBB (C+ to C-)	32.08%	33.2%	33.0%
BB (D+ to D-)	10.57%	8.9%	9.7%
B (E+)	1.10%	0.5%	0.7%
Commitments under surveillance (E and E-)	1.09%	1.0%	0.9%

Source: risk data (excluding UBAF, on- and off-balance-sheet commercial commitments of clients and banks, net of export credit guarantees).

In 2020, the quality of the portfolio remained broadly stable compared to 2019. The proportion of investment grade ratings decreased slightly and accounts for 86% of the portfolio versus 88% in 2019, which still reflects the good 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 CACIB'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 adverse 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 epidemic will persist in 2021 with a "stop and go" scenario in Q1 and Q2 (alternation of relaxations, restrictions and short periods of lockdown), but will be less damaging than in 2020 (better control of epidemic flows, fewer restrictions on mobility). Despite the approval of vaccines, large-scale vaccination is only likely to take place in mid-2021. A moderate rebound is expected in the second half of 2021, although some sectors will remain fragile (aeronautics, automotive, retail, tourism, hotels, restaurants, culture, etc.). Interest rates in the eurozone remain at low levels due to the ECB's measures and the scenario assumes that these measures will continue in the second half of 2021.

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 of impaired loans and receivables due from credit institutions and clients by type of borrower and geographic area is described 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 healthy 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 €1,044 million at 31 December 2020.

Country risk policy

The year 2020 was scarred by the Covid-19 pandemic. Like so many other countries, emerging countries put in place containment measures leading to a drop in domestic demand, as well as government debt. Overall, in 2020 emerging markets witnessed on average a 1% contraction in their growth (-4.7% excluding China), that was amplified by a drying up of remittances from nationals living abroad. Some sectors were affected more than others: tourism, energy, hotels, aviation, etc.... Furthermore, economies relying on oil saw their income considerably reduced as the price of the barrel fell to $10 in April ($55 currently). China managed the sanitary crisis relatively well and is one of the few countries to experience grow in 2020 (2.3%). In this context, the bank downgraded some ratings; during the year, 15 countries saw their rating downgraded, and 2 were upgraded (exit from default).

2021 Perspectives

The year 2021 should be characterized by an economic recovery of +6.6% for emerging countries (+5% excluding China), higher than developed countries (+4%). However, growth in the first quarter could be hampered by the massive resurgence of Covid-19 cases and additional health measures in several countries. The deployment of the Covid-19 vaccine - which will be slower in emerging markets - is expected to improve business and consumer confidence and therefore supporting domestic demand from the second half of the year.

In 2020, the level of global debt, which has sharply increased due to the pandemic, was estimated at 365% of GDP. Median debt / GDP thus increased from 48% to 62% between 2019 and 2020, and debt is expected to continue to grow in 2021 to reach 64% of GDP, not ruling out the risks of a debt crisis. However, high yield bonds from emerging countries should be able to perform slightly better in 2021 due to a slight reduction in spreads encouraged by the results of the US elections and the development of vaccines.

The financing conditions of emerging markets in 2021 seem globally favorable (maintaining low interest rates and accommodating monetary policies by central banks, return to GDP growth, rising commodity prices, resumption of capital inflows, weak US dollar). The intervention of central banks in response to the health crisis has led to an abundance of liquidity, which continues to lead to a reallocation of assets and to maintain pressure on prices.

External demand for manufactured goods and raw materials is expected to partially offset weak domestic demand. The prices of metals, such as iron ore and copper are driven by Chinese demand, and big metal suppliers such as Chile and South Africa are likely to continue to benefit from this trend (and potentially from infrastructure spending in the United States). However, global oil demand is expected to be relatively weak in 2021 as consumption will not return to pre-pandemic levels this year, putting economies dependent on oil exports in difficulty, especially Gulf countries.

The pandemic has exacerbated existing political tensions. The increase in unemployment, the deterioration of social indicators and the increase in income inequalities constitute fertile ground for political shocks and the multiplication of social movements, particularly in emerging countries. Regional conflicts, potential sanctions and several elections that should be held (Libya, Benin, Congo, Uganda, Nicaragua, Ecuador, Peru, Iran) are also risk factors. The election of Joe Biden as President of the United States is not expected to lead to radical changes for emerging countries. Sino-US tensions will persist as China begins to impose sanctions against US officials.

In this uncertain environment, Crédit Agricole CIB will pursue an active role with its clients, both local and international, to support them in their business developments, including abroad, by ensuring the respect of compliance rules and adopting a cautious and selective approach.

Evolution of exposure to emerging economies

As of November 30, 2020, CACIB outstanding for countries with a rating below “B”, excluding downgraded Western European countries (Italy, Spain, Portugal, Greece, Cyprus and Iceland) amounted to €58 billion, equivalent to the figure of end of 2019. Emerging countries represent only 13% of CACIB’s total portfolio. The concentration of outstanding in countries with a rating below “B”, excluding downgraded Western European countries, remained stable compared with the end of 2019, with 82% of the portfolio concentrated in nine countries (Brazil, Mexico, India, China, South Africa Saudi Arabia, EAU, Qatar and Russia). The portfolio for the country scope concerned remains highly concentrated on two regions: Asia and the Middle East and North Africa, representing 68% of this portfolio.

Lastly, at 30 November 2020, the share of investment grade countries (IE C ies countries) remained stable at 67% of CACIB’s outstanding in emerging countries in the scope in question, leaving the share of non-investment grade countries in the scope in question in the overall CACIB portfolio at just 4%.

Asia

Asia is still the region with the highest exposure, with outstanding amounts of €20 billion, or 38% of the commercial exposure for the corresponding country scope. This amount has remained stable relative to the previous year, while the portfolio is still highly concentrated on China and India.

Middle-East and North Africa

The Middle East and North Africa is the second-largest exposure of the scope under review with 30% of emerging outstanding amounts, or €15 billion. The strategy is to concentrate on a few countries and counterparties and on short operations with significant amounts while sharply reducing peripheral countries and counterparties. The main exposures are concentrated in Saudi Arabia, the United Arab Emirates and Qatar.

Latin America

This region accounts for 18% of the emerging markets portfolio, or €9.2 billion, up 7% compared to 2019. The portfolio is still focused primarily on Brazil and Mexico. Exposures are marginal for Argentina.

◆ Central & Eastern Europe

The share of the Central and Eastern Europe region decreased by 27% compared to the previous year, with an outstanding amount of €6 billion, or 12% of the portfolio, mainly concentrated in Russia.

◆ Sub-Saharan Africa

At the end of November 2020, this region accounted for 3% of the trade portfolio concerned, or €1.6 billion, half of which was concentrated in South Africa and Ghana.

2.5. FINANCIAL RISKS

2.5.1 Market risks

Market Risks are managed within the Market and Counterparty Risks Department (MCR). MCR is responsible for identifying, measuring and monitoring market risks, liquidity and counterparty risks on market transactions as well as the independent valuation of the results.

For example, relevant market risks for Crédit Agricole CIB include the following, which are potential losses related to:

◆ Interest rates variation

These risks are considered in detail: maturity, underlying interest rate indices, currencies;

◆ Share price changes

Crédit Agricole CIB's equity risk is mainly focused on big European corporates (financing, equity investment guarantee, the running of company savings schemes, convertible issues, loans and borrowing) and EMTN on equity indices;

◆ Deterioration in credit quality

Through its market-making activity for the main OECD sovereign debt issues and its customers' bond issues; Crédit Agricole CIB is exposed to changes in the risk premium on securities in which it deals;

◆ Changes in exchange rates

Crédit Agricole CIB's activity on behalf of our investor or corporate clients exposes us to currency market fluctuations.

On the other hand, its presence in many countries leads to structural foreign exchange positions, managed within the framework of the Asset-Liability Committees;

◆ Rates and Forex volatility

The market value of some derivative products changes depending on the volatility of the underlying, rather than in relation to the market's volatility. These risks are subject to specific limits.

2.5.1.1 MARKET RISK CONTROL SYSTEM

◆ Scope of intervention

MCR's scope concerns all the trading portfolios of the entities consolidated in the Crédit Agricole CIB financial statements as subsidiaries or branches in France and abroad; the main business lines are: Macro Trading, Non Linear, Credit and Equities.

MCR is also in charge of monitoring market risk within the Treasury and the Credit Portfolio Management (CPM) Department, whose dual mission is to manage Crédit Agricole CIB's macro counterparty risk and minimise the cost of capital for the banking books.

◆ Market risks (MCR) organisation and missions

The organisation of the MCR complies with regulatory standards and developments in market activity.

The basic principles guiding the MCR's organisation and operations are:

- the independence of the Risk function in relation to the operational departments (Front Offices) and the other functional departments (Back Offices, Middle Offices, Finance);
- an organisation that simultaneously ensures appropriate and specialised treatment for each type of market activity and the consistent application of methodologies and practices, regardless of where the activity is being performed or its accounting location.

These different missions are distributed as follows:

- Market Activity Monitoring, which is responsible for:
  - the daily validation of the operating results, market and liquidity risk indicators for all activities governed by market risk limits;
  - controlling and validating market parameters in an independent environment from the Front Office.

Lastly, through joint responsibility with the Finance Department, it participates in the monthly reconciliation between the MCR operating result and accounting result;

- Risk Management monitors and controls market risks for all product lines, specifically:
  - establishing sets of limits, monitoring breaches and re-establishing compliance with the limits, and monitoring significant changes in results, which are notified to the Market Risk Committee;
  - analysing risks carried by product line;
  - second-level validation of risks and monthly reserves.
- cross-functional teams round out this system by ensuring the harmonisation of methods and treatment among product lines. They combine the following functions:
  - the IPV (Independent Price Valuation) team, notably tasked with validating valuation parameters and mapping observability;
  - the MRA (Market Risks Analytics) team responsible for validating pricing models;
  - the teams in charge of the Internal Quantitative Model:
    - the Econometrics team, tasked with the historical series used in risk measurements;
    - the Methodologies team, tasked with methodologies for market risk measurements;
    - the Stress Models and CCR (Credit & Counterparty Risks) team, tasked with methodological and regulatory subjects related to market activities;
  - the Regulatory Oversight team;
  - the International Consolidation team, whose main mission is to produce the consolidated information for the department;
  - the COO (Chief Operational Officer) and his team coordinate Group-wide issues: projects, new activities, budgets, reports and committees.

Market Risk Decision and Monitoring Committee

The entire mechanism is placed under the authority of a set of committees:

- the Group Risk Committee (Crédit Agricole S.A.) sets overall limits in regard to the Group's risk appetite framework;
- the Strategies & Portfolios Committee (Crédit Agricole CIB) validates the strategic guidelines and the acceptable risk constraints, in line with the Group and Bank's risk appetite policy. This Committee, chaired by Crédit Agricole CIB's General Management, includes, among others, a member representing Crédit Agricole S.A.'s Risk Management Department, Risk Managers for Market Activities and Front-Office representatives of Market Activities;
- the Market Risk Committee (Crédit Agricole CIB) grants limits to the operating divisions within the framework of the allocations 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 General Management, is composed of a member representing Crédit Agricole S.A.'s Risk Management Department, the Risk Managers of Market Activities and the Front-Office representatives of Market Activities.
- The Liquidity Risk Committee (Crédit Agricole CIB) monitors and analyses liquidity risks and their evolution. It ensures compliance with monitoring indicators, specific management rules and defined 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 General Management, the CRL includes the head of Group Financial Risks, the head of the Group Treasury, the heads of GMD, of Treasury and Foreign Exchange, the heads of the Finance Department and ALM and the heads of Market Risk.

Significant events in 2020 which had an impact on the market risk scope

In 2020, the ECB has conducted Bank Industry wise regulatory audit on valuation risk and the prudent valuation. This audit has been achieved in July and CACIB is awaiting the final report.

At the same time, since the beginning of the Covid-19 crisis, regulator has set up a close monitoring of Crédit Agricole CIB throughout the year.

Crédit Agricole CIB continued to work on the deployment of its new Market Risk ecosystem (MASAI). Several activities (Structured Rates perimeter and Asian activities) have been incorporated. The implementation of the new system includes the following elements: implementation of data management principles, centralisation of valuation methods, industrialisation, audit trails and market risk analysis and control measures.

Following the ECB 2017 Targeted Review of Internal Models (TRIM) regarding the review of internal models, Crédit Agricole CIB is, in the context of capital requirements for market risk calculation, authorised to continue the use of its Value-at-Risk (VaR) models, the Stressed Value-at-Risk models (SVaR), the models for additional risk of default and migration (IRC) and counterparty credit risk (CCR) model and to extend the initial margin model in the internal models. The authorisation was accompanied by obligations to be fulfilled in 2019 and 2020, which are reported to the ECB on a quarterly basis. Due to Covid-19 crisis, deadlines of some obligations have been extended by 6 months. Moreover, due to the ECB internal models cross-analysis between banks, additional obligations have been added and have to be fulfilled between 2021 and 2023.

This year has also been characterized by the rates referential modification from Eonia to ESTR and from Fed Fund to SOFR. This Regulator's project intent was to strengthen the benchmarks in order to regulate the risk of interest conflict, to ensure the reliability of methods and data used in their calculation, to avoid manipulation risk and enhance consumer' protection.

2.5.1.2 MARKET RISK MEASUREMENT AND MANAGEMENT METHODOLOGY

Value at Risk (VaR)

VaR is calculated on daily basis and on all positions. It represents the potential loss with a 99% confidence interval and a one-day horizon. Since VaR does not necessarily consider extreme market conditions, it should not be confused with the concept of maximum loss. Stressed VaR and stress scenarios are used in addition to this system in order to measure these extreme risks.

Change in regulatory VaR in 2020

Graph No. 1 (see page 180) shows the evolution in Crédit Agricole CIB's VaR for the regulatory scope in 2019-2020.

In 2020, the regulatory VaR averaged €14 million (up from the €7 million average reported in 2019) and ranged between a lower level of €7.3 million and an upper level of €23.8 million.

In an extreme volatile market due to Covid-19 crisis, the regulatory VaR of CACIB is impacted by the unprecedented movements of the March/April 2020 period. The shocks observed at midst period of the crisis and the hedges of the xVA exposures have contributed to the increasing VaR. The progressive diminution is mainly explained by the hedges reduction, consequence the xVA exposures reduction in a context of lull in the markets.

At the end of December 2020, over a rolling one-year period, there were three backtesting exceptions with a theoretical loss – Theoretical P&L equivalent to daily P&L excluding reserves and new trades- greater than the VaR. These exceptions have to be considered in the market risk own fund requirement Scaling Factor determination. ECB has validated the authorisation to definitively exclude four others backtesting exceptions from the scaling factor determination with regards to Regulatory VaR and SVaR market risk own fund requirement (VaR/SVaR), knowing those have not been induced by model performance issues.

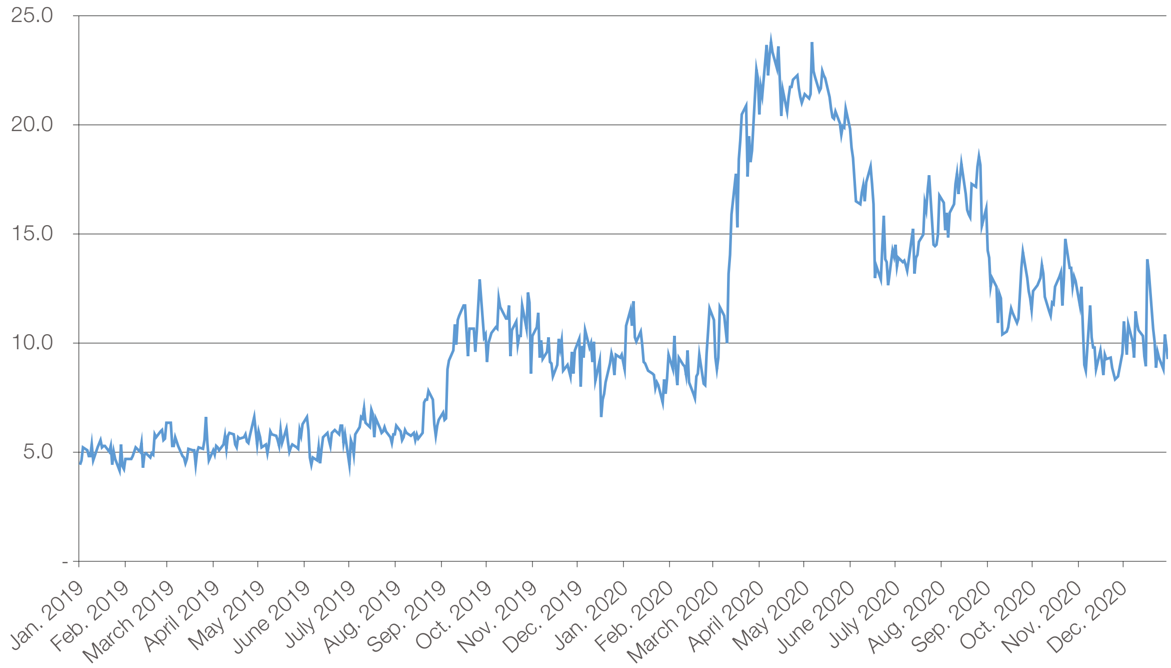
Graph No. 2 (see page 181) shows quarterly averages of the regulatory VaR and other VaRs for each of Crédit Agricole CIB's business lines since 1 January 2019.

All Crédit Agricole CIB activities are based on internal model, except a very few products still based on standard methodology.

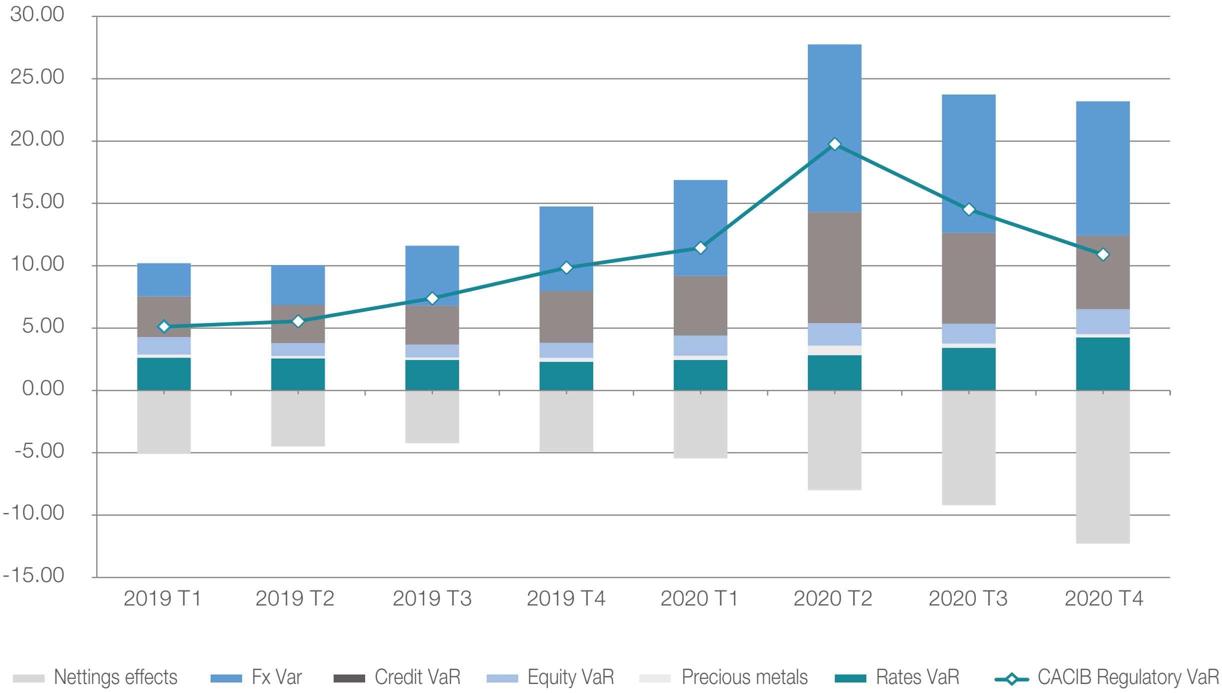
▶ Change in regulatory VaR

€ million	31.12.2020				31.12.2019			
	Minimum	Average	Maximum	End of year	Minimum	Average	Maximum	End of year
Total VaR	7	14	24	9	4	7	13	10
Netting Effect	(2)	(9)	(20)	(10)	(3)	(5)	(8)	(6)
Rates VaR	5	11	16	8	2	4	9	6
Equity VaR	1	2	3	2	1	1	2	1
Fx VaR	1	3	13	5	1	2	5	3
Commodities VaR	0	0	2	0	0	0	1	0
Credit VaR	3	7	12	4	2	3	5	4

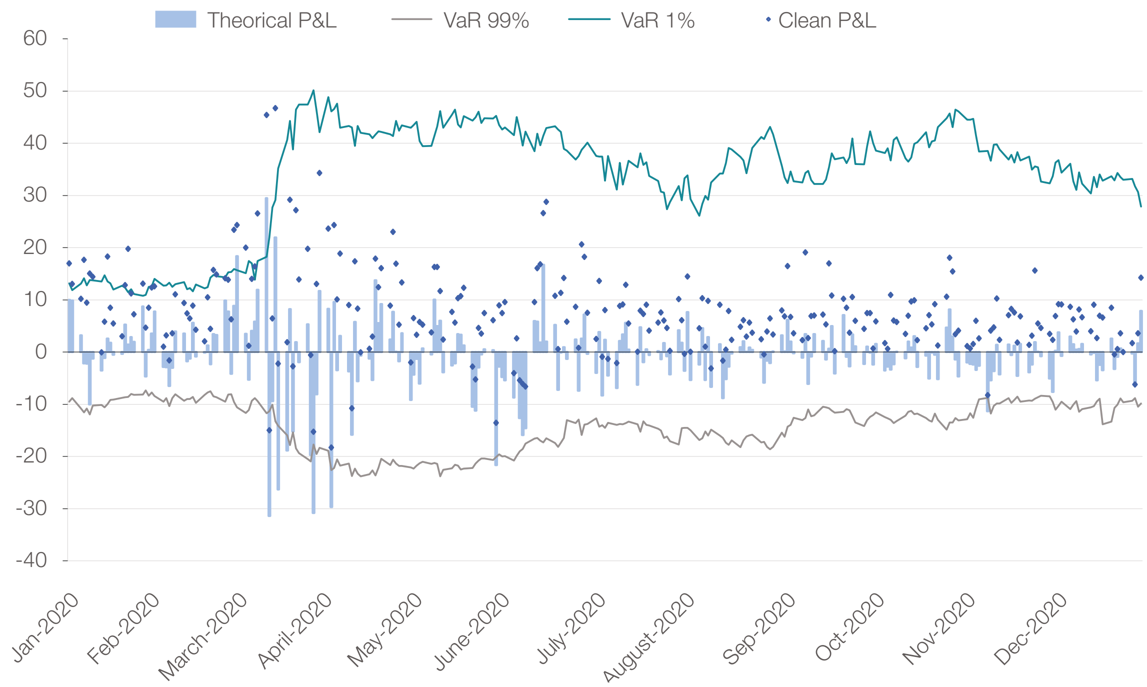
▶ Graph 1: Crédit Agricole CIB regulatory VaR over the period 2019-2020 (€ million)



▶ **Graph 2: Evolution of quarterly averages of the regulatory VaR and the VaR by product line over the period 2019-2020 (€ million)**



▶ **Graph 3: Backtesting of Crédit Agricole CIB regulatory VaR in 2020 (€ million)**



VAR BACKTESTING (GRAPH N° 3)

The Crédit Agricole CIB Regulatory VaR backtesting method compares daily VaR amounts with the so-called clean P&L (daily results excluding reserves) on the one hand and with the daily theoretical P&L (daily results restated for reserves and new trades) on the other hand.

At the end of December 2020, over a rolling one-year period, there were seven backtesting exceptions with a theoretical loss greater than the VaR (excluding new trades), including five during the midst crisis Covid-19 period.

Capital requirements related to the VaR

At 31 December 2020, the capital requirements related to the VaR amounted to €136 million.

€ million	31.12.2020	Minimum	Maximum	Average	31.12.2019
VaR	136	130	291	199	139

Stressed regulatory VaR statistics

If the historical data used to calculate VaR shocks originate in a sluggish market situation, i.e. low volatility, the resulting VaR will have a low level. To compensate for this pro-cyclical bias, the regulator introduced the Stressed VaR.

Stressed VaR is calculated using the "initial" VaR model for a confidence interval of 99% and a one-day horizon, and over a period of stress that corresponds to the most severe period for the most significant risk factors.

At the end of the year, MCR has operated to a recalibration of the SVaR period with the new methodology validated by the ECB. November 2007 to November 2008 period has been renewed.

Change in stressed regulatory var in 2020

Graph No. 4 (below) shows the changes in Crédit Agricole CIB's stressed regulatory VaR over the 2019-2020 period.

The Stressed VaR in 2020, on average, was €18 million, steady compared to 2019, but with a wider range of variation, as shown in the table of statistics below, which show the continuation of a prudent management policy of Crédit Agricole CIB.

At the end of December, the SVaR/ VaR ratio is 1,2.

The following table compares regulatory Stressed VaR data with that of regulatory VaR.

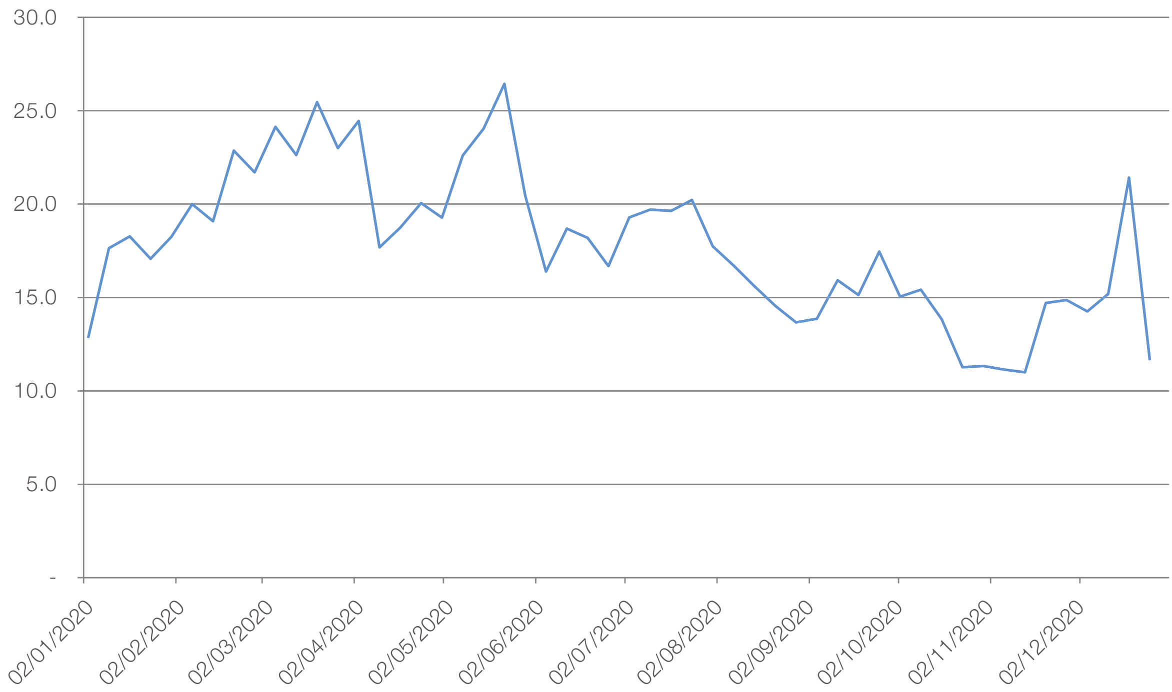
	31.12.2020				31.12.2019			
€ million	Minimum	Average	Maximum	End of year	Minimum	Average	Maximum	End of year
Stressed regulatory VaR	11	18	26	12	14	18	24	16
Regulatory VaR	7	14	24	9	4	7	13	10

Capital requirements related to the stressed VaR

At 31 December 2020, the capital requirements related to the stressed VaR amounts to €175 million.

€ million	31.12.2020	Minimum	Maximum	Average	31.12.2019
Stressed VaR	175	175	330	258	267

Graph 4: Stressed regulatory VaR 1 day, 99% confidence interval (€ million)



Stress Tests

Stress tests were developed to assess the ability of financial institutions to withstand a shock to their activities. This shock may be economic (economic downturn for example) or geopolitical (conflict between countries).

To satisfy regulatory requirements and complete its VaR measurements, Crédit Agricole CIB thus applies stress scenarios to its market activities in order to determine the impact of particularly strong (unpredictable or non-modelable in the VaR) disruptions on the value of its accounts. These scenarios are developed using three complementary approaches:

1. Historical approaches, which replicate the impact of major past crises on the current portfolio. The following historical scenarios were used:
   - 1994 crisis: bond crisis scenario;
   - 1998 crisis: credit market crisis scenario, which assumes an equity market downturn, sharp interest rate hikes and declines in emerging country currencies;
   - 1987 crisis: stock market crash scenario;
   - October 2008 crisis and November 2008 crisis (these latter two scenarios reproduce the market conditions following the bankruptcy of the investment bank Lehman Brothers).
2. Hypothetical scenarios, which anticipate plausible shocks and are developed in collaboration with economists. The hypothetical scenarios are:
   - economic recovery (rising equity and commodity markets, strong increase in short term interest rates and depreciation of the US Dollar, and tightening of credit spreads);
   - tightening of liquidity (sharp increase in short-term rates, widening of credit spreads, equity market decline);
   - a scenario representing economic conditions in a situation of international tensions between China and the United States (increased volatility and falling equity markets, rising commodities market, steepening interest rate curves, depreciation of the US Dollar relative to other currencies, and widening of credit spreads).
3. Two so-called contrasting approaches (one decennial scenario and one extreme scenario) which consist in adapting assumptions to simulate the most severe situations depending on the structure of the portfolio when the scenario is calculated:
   - a so-called “adverse decennial” approach, assessing the impact of large scale and unfavourable market movements for each activity individually. The calibration of the shocks is such that the scenario has a probability of occurrence about once every ten years and the initial period during which the bank suffered from the events before reacting is around ten days. The measured losses under this scenario are supervised through a limit;
   - a so-called “extreme adverse” approach that measures the impact of market shocks of greater intensity and for a period greater than the decennial adverse stress in order to simulate rarer but nevertheless possible events. Shocks simulated under extreme adverse stress are about twice as hard as those in the decennial adverse stress. Their impact on the stress result can be significantly more severe for non-linear products with an optional component.

These indicators are also subject to a limit set in agreement with Crédit Agricole S.A..

Overall stresses are calculated on a weekly basis and presented to the Crédit Agricole CIB Market Risk Committee once a month.

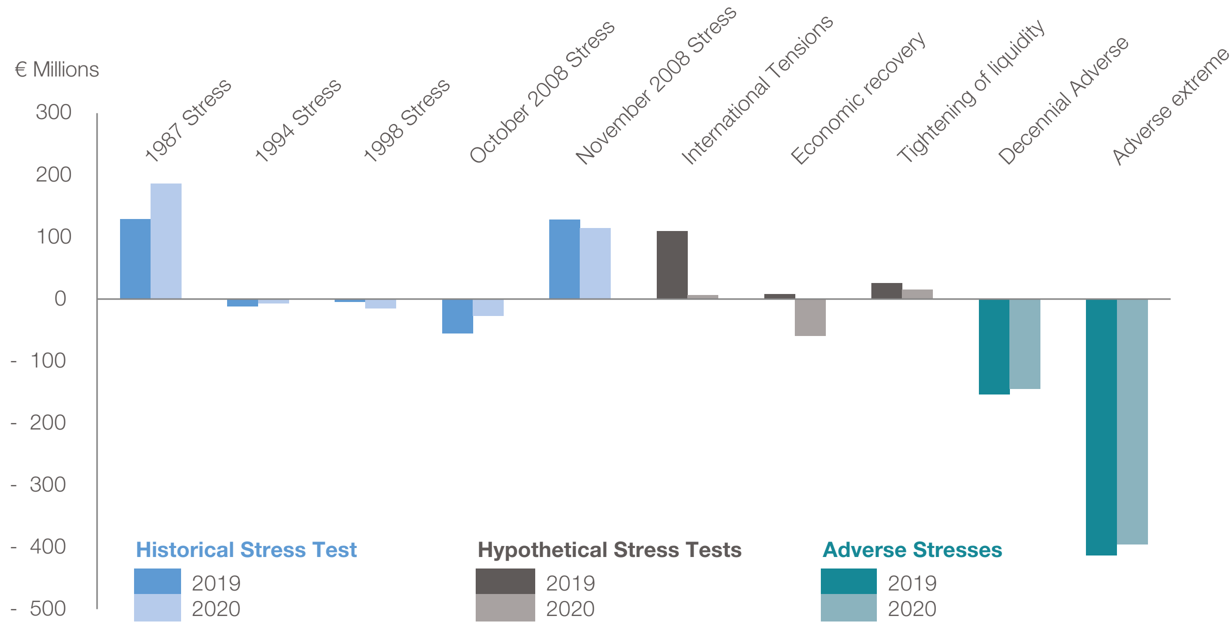
Meanwhile, specific stress scenarios are developed for each business line. They are produced on weekly basis. These specific scenarios make it possible to analyse the associated risks of the different business lines.

Regularly stresses are set up in anticipation of ad-hoc market events: Brexit, US elections, etc.

MCR completed a stress framework reinforcement study, presented to the executive Committee at the end of 2020. The deployment is scheduled on 2021-2022.

Graph No. 5 below shows the comparison of the stress scenarios evolution in 2019 and 2020.

▶ **Graph 5: 2019 and 2020 average values of stress scenarios (€ million)**



From 2019 to 2020, decennial adverse and extreme adverse stresses slightly decreased. In terms of Average, the adverse and extreme stress decreased from €154 million and €413 million in 2019 to €145 million and €397 million in 2020, respectively. The decrease in extreme adverse stress is mainly related to Rates and Credit activities partially compensated by Forex activities. The stress levels (excluding CVA) observed in 2020 are generally far below the limits.

2.5.1.3 OTHER INDICATORS

The VaR measurement is combined with a complementary or explanatory set of indicators, most of which include limits:

- the sets of limits enable specific control of risks. Reproduced for each activity and mandate, they specify the authorised products, maximum maturities, maximum positions and maximum sensitivities; they also include a system of loss alerts;
- other analytical indicators are used by Risk Management. They include in particular notional indicators in order to reveal unusual transactions;
- in accordance with CRD III directive (entry into force on 31 December 2011), Crédit Agricole CIB has established specific default risk measurements on credit portfolios.

Capital requirements related to the IRC

The Incremental Risk Charge (IRC) is an additional capital requirement on so called linear credit positions (i.e. excluding credit correlation positions), required by the regulator in CRD III following the subprime crisis.

The purpose of the IRC is to quantify unexpected losses caused by credit events affecting issuers, i.e. defaults or rating migrations (both upgrades and downgrades). In other words, the IRC recognises two risk measures:

1. Default risk (potential gains and losses due to the default of the issuer);
2. Migration risk, which represents potential gains and losses following a migration of the issuer's credit rating and the shocks of related spreads.

The IRC is calculated with a confidence interval of 99.9% over a one-year risk horizon using Monte Carlo simulations.

The simulated default and credit migration scenarios are then valued using Crédit Agricole CIB pricers. These values show a distribution, from which a 99.9% quantile calculation makes it possible to obtain the IRC.

At the end of December 2020, the capital requirements related to the IRC totalled €116 million.

€ million	31.12.2020	Minimum	Maximum	Average	31.12.2019
IRC	116	116	231	143	148

Standard CRD 3 method requirements

Standard CRD 3 is an additional capital requirement for issuer risk not covered by the IRC and the CRM (Comprehensive Risk Measure). The final measure required by the supervisory authorities is the standard method for securitisation positions in the trading book.

The capital requirement in connection with the standard method was €4 million at 31 December 2020.

€ million	31.12.2020	Minimum	Maximum	Average	31.12.2019
Standard CRD 3 method	4	4	7	5	5

Capital requirements related to prudent valuation

In the framework of CRD IV, the Basel III Committee requires the implementation of a complementary prudential measure (Prudent Valuation) to the accounting market valuation for all positions in Trading Book and Banking Book recognised at fair value with a 90% confidence interval.

Prudent Valuation is broken down into nine accounting valuation adjustments: market price uncertainty, close-out costs, model risk, concentrated positions, unearned credit spreads, investing and funding costs, early termination, future administrative costs and operational risks. All of these various categories are then aggregated and deducted from Common Equity Tier One.

The calculation of valuation adjustments based on regulatory requirements had an impact of €508 million for Crédit Agricole CIB (including €294 million for market risks) on capital at the end of December 2020.

2.5.2 OTHER FINANCIAL RISKS

2.5.2.1 GLOBAL 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.

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 fixed-rate gap method, in accordance with the Crédit Agricole Group Standard, to measure its overall interest rate risk.

This consists of determining maturity schedules and interest rates for all assets, liabilities and hedging derivatives at fixed or adjustable interest rates:

- until the adjustment date for adjustable-rate items;
- until the contractual date for fixed rate items; and
- using model-based conventions for items without a contractual maturity.

The gap measurement includes the rate hedging effect on fair value and cash flow hedges.

Exposures

Crédit Agricole CIB's exposure to overall interest rate risk on client transactions is limited given the rule on matching interest rates on each client loan 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 2020 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	(4.35)	(0.08)	+ 0.10
Average Euro gap	+5.31	+ 0.39	+ 0.03

The Euro interest rate gap is particularly significant due to TLTRO III resources put in place in 2020 which are considered to be fixed-rate in the first year. These exposures remain below the interest rate risk limits set by the Group Risk Committee.

In terms of net banking income sensitivity for the first year, Crédit Agricole CIB could lose €170 million of revenue in case of a 200-basis-point fall in interest rates over the year, excluding TLTRO, i.e. a 2.9% sensitivity for reference net banking income of €5.611 million in 2020, below the limit of 3.9% 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 0.59% or €140 million of the Group's capital at book value, below the €600 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. Sensitivity is defined as the gain or loss arising from a 2% change in interest rates. This sensitivity is calculated in EUR and USD. The calculation is based on average outstandings.

The shocks contained in these scenarios are calculated on a 10-day basis, according to Crédit Agricole CIB's stress scenario methodology. Sensitivity is "shocked" in various ways. The result of a stress test corresponds to the net present value of changes in the scenario's characteristics.

The application of stress scenarios highlighted relatively limited impacts since the net present value of the maximum potential loss incurred represented €45 million, i.e., 0.19% of capital at book value, and 0.78% of net banking income at 31 December 2020.

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 2020, the estimated internal capital requirement for interest rate risk was €239 million.

2.5.2.2 FOREIGN EXCHANGE RISKS

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.

In most cases, 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 through forward transactions where possible.

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 2020, 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, usually without prior hedging of earnings not yet generated except if they have a high probability and a high risk of impairment.

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 could for example be realised in the event of a mass withdrawal of client or investor deposits or during a confidence crisis or even a general liquidity crisis in the market (access to interbank, monetary and bond markets).

Objectives and policy

Crédit Agricole CIB's 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 the traditional sources of short-term liquidity (demand deposits and term deposits of Corporate and Private Banking clients), Crédit Agricole CIB actively diversifies its sources of financing by maintaining diversified access to these markets through multi-format issuance programmes (commercial paper/certificates of deposit) in a variety of locations (New York, London, Tokyo, Australia and 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 2020, the amounts issued under long-term EMTN programmes amounted to around €22.6 billion.

Other than in exceptional cases, issuances under these programmes for the purposes of Crédit Agricole CIB's international and domestic clients are "structured" issuances, meaning that the coupon paid and/or the amount repaid at maturity includes a component indexed to one or more market indices (equities, interest rates, exchange rates 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 2020, Crédit Agricole CIB continued to strengthen its balance sheet structure, with balance sheet strength resulting in surplus stable funding over long-term assets of +€50.3 billion at 31 December 2020.

Process

Crédit Agricole CIB's liquidity management and control system are 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 151% at 31 December 2020;
- 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 will become binding in Q2 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.

The hedges put in place by the Asset and Liability Management Department relate to the outstanding amounts of non-interest-bearing client deposits held by the Wealth Management department, which are treated 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.

	Au 31.12.2020		
€ million	> 1 year to ≤ 5 years	> 5 years	Total
Cash flow hedged (to be received)	268.6	67.5	336.1
Cash flow hedged (to be paid)	-	-	-

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 Operational risk management

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.

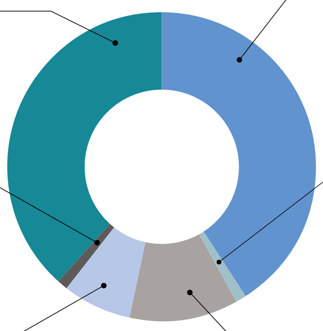
The capital requirement is calculated by applying the Crédit Agricole Group’s Advanced Measurement Approach (AMA) model for the Crédit Agricole CIB scope, a model that was validated at the end of 2007 by the French Regulatory and Resolution Supervisory Authority (ACPR).

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 cover the principal sources of risk (disputes with clients, management of processes relating to market transactions) that assist in drawing up 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 2018-2020.



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 Principal ongoing legal and tax proceedings

The main ongoing legal and tax proceedings in which Crédit Agricole CIB and its fully consolidated subsidiaries are involved are described in the section on "Legal risks" in the "Risk factors and Pillar 3" chapter of the 2019 Universal Registration Document.

These proceedings fall under

- the risk of non-compliance (as defined in the preamble to the "Risk Factors" section) where they arise as a result of breach of laws relating to banking and financial activities, irrespective of their nature or the
- legal risk, as defined in the preamble to the "Risk Factors" section (namely the risk of a dispute with a counterparty, resulting from any inaccuracy, deficiency or inadequacy that may be attributable to CACIB).

The principal ongoing legal and tax proceedings at 31 December 2020 that may have a negative impact on the Group's assets have been covered by provisions equal to the best estimate by 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 European Court of Justice 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 181.012 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.

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.

Banque Saudi Fransi

Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) had received in 2018 a request for arbitration submitted by Banque Saudi Fransi (BSF) before the International Chamber of Commerce (ICC). The dispute related to the performance of a technical services agreement between BSF and Crédit Agricole CIB that is no longer in force. BSF had quantified its claim at SAR 1,023,523,357, the equivalent of about € 242 million. Crédit Agricole CIB and BSF have entered into an agreement effectively ending the ICC arbitration proceedings. This agreement has no significant impact on Crédit Agricole CIB's Financial Statements.

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.

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 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 have taken an appeal from both of the Court's orders.

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.

It is not possible at this stage to predict the outcome of these investigations, proceedings or class actions or the date on which they will end.

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. The court has not yet decided the motion.

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 ("Hawaii Sheet Metal Workers retirement funds") was filed against the same banks in the same court and 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."

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

Non-compliance risk control within the Crédit Agricole CIB Group is carried out by the Compliance Department. 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 in the markets as well as its clients' interests against violations of the internal ethical standards and failures to meet the professional obligations to which Crédit Agricole CIB Group and its employees are subject (insider dealing, price manipulation, dissemination of false information, conflicts of interest, failure to advise, etc.) as well as against internal or mixed fraud and internal corruption.

For this purpose, 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);
- carries out or arranges for any necessary a priori or a posteriori controls, depending on the activity, and in particular monitors transactions carried out by the Bank for its own account or for its clients;
- organises, in conjunction with the Risks and Permanent Control Department, the escalation of information on possible compliance incidents and ensures the rapid implementation of any necessary corrective measures;
- manages the relationships with regulatory and market supervision authorities, in conjunction with the Risks and Permanent Control Department and the Group Control and Audit Department;
- 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.

The system for controlling non-compliance risks is designed to guard against the risks of non-compliance with laws, regulations and internal standards, particularly in relation to investment services, client protection, the prevention of money laundering and terrorist financing, compliance with international sanctions and internal and external fraud prevention. 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 hierarchically to the Head of Compliance of Crédit Agricole S.A. and functionally to the Chief Executive Officer and Deputy Chief Executive Officer of Crédit Agricole CIB;
- Crédit Agricole CIB's Local Compliance Officers report hierarchically to the Compliance Business Line and functionally to the Senior Country Officer/Branch CEO;
- 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 2020, 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 structure therefore has two complementary focuses:

- 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 LCO (Local Compliance Officer) who works at local level;
- the Compliance Department at the headquarters consists of four operational divisions organised by type of compliance risk, and four cross-divisional functions which constitute a central point of entry both at the headquarters level and at Crédit Agricole CIB's entities:
  - Business Compliance, responsible for the compliance by business lines with internal and external standards, such as the detection and prevention of market abuse and the identification, prevention and management of conflicts of interest and related controls. Business Compliance is also responsible for compliance by the business lines within the meaning of Article 313-4 of the AMF's General Regulation;
  - 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).
  - the Anti-fraud and Anti-corruption division, which is responsible for the prevention and detection of corruption and fraud risks at the Bank;
  - the Data & Processing team, which is responsible for managing the risks of non-compliance with data processing obligations (including the protection of personal data);
  - the Corporate Secretary, who is responsible for coordinating cross-divisional matters involving the Compliance function: governance, reporting, coordination of regulatory monitoring, interactions with regulators, the compliance training strategy and HR matters. The Corporate Secretary supervises, coordinates and produces reports on the compliance control system and carries out second-level compliance controls.
  - The General Secretary is also responsible for assisting the Bank's Executive Management on the Bank's decision-making bodies by issuing an opinion covering all non-compliance risks in respect of the files submitted to it (for example, compliance notices issued by the Bank's main credit committees);
  - the Change Management team, which is responsible for change management within Compliance, digital transformation and the management of Compliance projects;
  - the International division, which is responsible for disseminating the best practices within the Compliance department, coordinating the Local Compliance Officers (LCOs), aligning standards within the teams and deploying training to all CPL employees in all locations.
  - the Market Regulatory Projects team, which is responsible for managing Compliance's regulatory projects relating to market activities, particularly those on market abuse issues.

The Compliance team at the holding company, CA Indosuez Wealth (Group), which is responsible for overseeing and coordinating the entities within the Private Bank (wealth management), is structured into three separate divisions (Regulatory Compliance, Financial Security and Anti-Fraud and Anti-Corruption), thus reinforcing the key role Compliance plays in the governance of the Business Line. These three divisions report to the Head of Compliance at the Private Bank (wealth management).

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 Departments. It is chaired by the Deputy Chief Executive Officer of Crédit Agricole CIB. The Compliance Department of Crédit Agricole S.A. is also a permanent member of this committee. The Compliance Department is also responsible for governance of the New Products (NAP) system and chairs Crédit Agricole CIB's top-level NAP Committee (a mechanism for controlling the risks association with new businesses and products).

In 2020, the Crédit Agricole CIB Compliance Department continued to provide support and advice to the Bank's Executive Management and business lines.

The Compliance Department has also launched various projects and initiatives to continue improving its structure, tools and processes and to increase its resources. The aim is to increase its effectiveness in dealing with regulatory changes and the expectations of regulators, and in general to foster a compliance culture within all the Bank's business processes.

Within this framework, a number of projects and initiatives to reinforce the governance of the system and the management of risks were carried out in 2020, including:

- 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:
  - actions to improve clients' knowledge, the implementation of KYC quality controls, transaction monitoring and the AML alert handling system;
  - the strengthening of the market abuse monitoring framework and the creation of a specific team to deal with regulatory projects relating to market activities;
  - continued work on the NAP system;
- the development of new artificial intelligence tools and solutions to respond in an innovative way to challenges and needs with regard to business line and support function compliance;
- training teams on the international sanctions' remediation plan;
- supporting the Bank's Executive Management in its efforts to strengthen the Compliance culture with the implementation 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;
  - overhauling the KYC control plan.

5

BASEL III PILLAR 3 DISCLOSURES

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3. BASEL III PILLAR 3 DISCLOSURES

(EU) Regulation No. 575/2013 of the European Parliament and the Council of 26 June 2013 requires supervised financial institutions (mainly credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. Crédit Agricole CIB Group's risk management system and exposure levels are described in this section as well as in the "Risk factors and risk management" section.

Basel III is based on 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 Section 3.2: "Management of economic capital");
- **Pillar 3** introduces new standards for financial disclosures to the market. These must provide more detailed information about regulatory capital components and risk assessments, both with regard to the regulations applied and the activity during the period.

Crédit Agricole CIB Group has opted to disclose its Pillar 3 information in a separate section from the Risk Factors section in order to isolate the information that is required to be disclosed under the regulations.

The Group's solvency is managed with the main aim of assessing its capital and verifying that the Group always has sufficient capital to cover the risks to which it is, or may be, exposed in view of its business activities, so that the Group is able to access to the financial markets on the desired terms.

To achieve this objective, the Group applies an Internal Capital Adequacy and Assessment Process (ICAAP).

The ICAAP has been developed based on the interpretation of the main regulatory texts set out below (Basel agreements, the European Banking Authority's guidelines and the European Central Bank's prudential requirements). More specifically, it covers:

- the governance of capital management, adapted to the specific features of the Crédit Agricole CIB group, and enabling centralised and coordinated monitoring at Group level;
- the measurement of regulatory capital requirements (Pillar 1);
- the measurement of economic capital requirements, which is based on the risk identification process and a quantification of capital requirements using an internal approach (Pillar 2);
- the management of regulatory capital requirements which is based on short-term and medium-term forward-looking measures that are consistent with budget projections, based on a central economic scenario;
- the management of ICAAP stress tests, which aim to simulate the destruction of capital after a three-year adverse economic scenario (see chapter 5 – Risk Management, paragraph: "Stress tests" of the 2020 Universal Registration Document);
- the management of economic capital (see Section 3.2 "Management of economic capital");
- a qualitative ICAAP that formalises the major areas for risk management improvement.

The ICAAP is also an integrated process that interacts with the Group's other strategic processes (ILAAP: Internal Liquidity Adequacy and Assessment Process, risk appetite, budget process, recovery plan, risk identification, etc.).

In addition to solvency, Crédit Agricole CIB also manages the leverage and resolution ratios (MREL & TLAC) on its own behalf or in respect of its contribution to the Crédit Agricole group.

Lastly, the key solvency ratios are an integral part of the risk appetite system applied within the Group (described in Chapter 5 – Risk management – of the Universal Registration Document).

Key metrics at group level - Crédit Agricole CIB Group		31.12.2020 in €m
-	**Available own funds (amounts)**	-
1	Common Equity Tier 1 (CET1) capital	14,534
2	Tier 1 capital	20,040
3	Total capital	23,814
-	**Risk-weighted exposure amounts**	-
4	Total risk-weighted exposure amount	124,143
-	**Capital ratios (as a percentage of risk-weighted exposure amount)**	-
5	Common Equity Tier 1 ratio (%)	11.7%
6	Tier 1 ratio (%)	16.1%
7	Total capital ratio (%)	19.2%
-	**Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)**	-
EU 7a	Additional CET1 SREP requirements (%)	0.84%
EU 7b	Additional AT1 SREP requirements (%)	0.28%
EU 7c	Additional T2 SREP requirements (%)	0.38%
EU 7d	Total SREP own funds requirements (%)	9.50%
-	**Combined buffer requirement (as a percentage of risk-weighted exposure amount)**	-
8	Capital conservation buffer (%)	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	n/a
9	Institution specific countercyclical capital buffer (%)	0.04%
EU 9a	Systemic risk buffer (%)	n/a
10	Global Systemically Important Institution buffer (%)	n/a
EU 10a	Other Systemically Important Institution buffer (%)	n/a
11	Combined buffer requirement (%)	2.54%
EU 11a	Overall capital requirements (%)	12.04%
-	**Leverage ratio**	-
13	Leverage ratio total exposure measure	566,283
14	Leverage ratio (%)	3.54%
-	**Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)**	-
EU 14a	Additional CET1 leverage ratio requirements (%)	n/a
EU 14b	Additional AT1 leverage ratio requirements (%)	n/a
EU 14c	Additional T2 leverage ratio requirements (%)	n/a
EU 14d	Total SREP leverage ratio requirements (%)	n/a
EU 14e	Applicable leverage buffer	n/a
EU 14f	Overall leverage ratio requirements (%)	n/a
-	**Liquidity Coverage Ratio**	-
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	97,605
16	Total net cash outflows (adjusted value)	64,731
17	Liquidity coverage ratio (%)	151%
-	**Net Stable Funding Ratio**	-
18	Total available stable funding	170,396
19	Total required stable funding	196,882
20	NSFR ratio (%)	87%

3.1 MONITORING OF REGULATORY CAPITAL

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 legislation containing the regulatory requirements applicable to credit institutions and investment firms was published in the Official Journal of the European Union on 26 June 2013 (Capital Requirements Directive 2013/36/EU, known as "CRD4", transposed by French Order No. 2014-158 of 20 February 2014 and the Capital Requirements Regulation, known as "CRR", Regulation 575/2013) and entered into force on 1 January 2014, in accordance with the transitional provisions set out in the legislation.

The European Bank Recovery and Resolution Directive (known as BRRD, Directive 2014/59/EU) was published on 12 June 2014 and took effect on 1 January 2015 and the European Single Resolution Mechanism Regulation (known as SRMR, Regulation 806/2014) was published on 30 July 2014 and took effect on 1 January 2016, in accordance with the transitional provisions provided for by these legislative texts.

On 7 June 2019, four legislative texts constituting the banking package were published in the Official Journal of the European Union for gradual implementation by the end of June 2021:

- BRRD 2: Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU
- 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
- CRR 2: Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013

The SRMR 2 and CRR 2 regulations 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 the CRR 2/CRD 5 regime (pending the transposition of 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 (which will become a Pillar 1 regulatory requirement in June 2021).

These ratios are calculated in a phased-in approach with the aim of gradually managing the transition: on the one hand, the transition from the Basel II calculation rules to the Basel III rules (the transitional provisions were applied to all equity capital up until 1 January 2018 and are applied to hybrid debt instruments until 1 January 2022) and, on the other, the eligibility criteria defined by CRR 2 (until 28 June 2025).

A ratio supplements this process with the aim of assessing the adequacy of the capacity to absorb losses and to recapitalise "global systemically important" banks (G-SIB). This Total Loss Absorbing Capacity (TLAC) ratio supplements the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) resolution ratio defined in the BRRD. The Crédit Agricole CIB Group does not have any requirement specific to TLAC or MREL, but as a subsidiary of the Crédit Agricole Group it contributes to these ratios and is subject to the monitoring and steering process put in place by the Group.

3.1.2 Supervision

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.

3.1.3 Regulatory supervision scope

Difference between the accounting and the regulatory scope of consolidation

Entities consolidated for accounting purposes, but excluded from the regulatory scope of consolidation of credit institutions on a consolidated basis predominantly comprise ad hoc entities that are equity-accounted for regulatory purposes. In addition, entities consolidated for accounting purposes using the proportional method at 31 December 2013 and now consolidated under the equity method for accounting purposes, in accordance with IFRS 11, continue to be consolidated proportionally for prudential purposes. Information on these entities as well as their consolidation method for accounting purposes is contained in the notes to the consolidated financial statements at 31 December 2020.

Difference 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).

3.1.4 Overall system

Capital planning

Regulatory capital is managed using a process known as capital planning.

Capital planning is designed to provide capital and scarce resource consumption (risk-weighted assets and balance sheet) projections for the period of the current Medium-Term Plan, for the Crédit Agricole CIB Group's scope of consolidation and its contribution to the Crédit Agricole Group, with a view to determining the trajectories of the solvency ratio (CET1, Tier 1 and total capital) and the leverage and resolution ratios (MREL and TLAC).

It covers the budget components of the financial trajectory, including structural transaction plans, accounting and prudential regulatory changes, and the effects of models applied to risk bases. It also reflects the issue policy (subordinated debt and TLAC-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 development to be determined. It therefore ensures compliance with the various prudential requirements and the capital distribution restriction threshold, and is used to calculate the Maximum Distributable Amount as defined by the CRR for Additional Tier 1 debt. It is also used to set the various risk thresholds adopted for determining risk appetite.

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).

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 Financial Control, the Head of Cash Management and Financing, and Crédit Agricole S.A. representatives.

The main tasks of this committee are to:

- review Crédit Agricole CIB Group's solvency, leverage 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);
- discuss issues relating to economic capital;
- 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.

3.1.5 Solvency ratios

Solvency ratio numerator (see Section 3.1.6 "Definition of capital")

Basel III defines three levels of capital:

- Common Equity Tier 1 (CET1) capital;
- Tier 1 capital, which consists of Common Equity Tier 1 and Additional Tier 1 (AT1) capital;
- Total capital, consisting of Tier 1 capital and Tier 2 capital.

Solvency ratio denominator (see Section 3.4 "Composition of and changes in risk-weighted assets")

Basel III defines several types of risk: credit risks, market risks and operational risks, which give rise to risk-weighted asset calculations. They are described in detail below.

Under Regulation (EU) No. 575/2013 of 26 June 2013, two approaches are used to measure exposure to credit risk:

- the "standardised" approach, which is based on external credit ratings and fixed weightings depending on the Basel exposure class;
- the IRB (Internal Ratings-Based) approach, which is based on the bank's own internal rating system.

There are two subsets of the IRB approach:

- the "Foundation Internal Ratings-Based" approach, under which institutions may use their own probability of default estimates alone;
- the "Advanced Internal Ratings-Based" approach, under which institutions may use all their internal estimates of risk components, i.e., probabilities of default, losses given default, and exposure at default and at maturity.

MINIMUM REGULATORY REQUIREMENTS

The Pillar 1 requirements are governed by Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the CRR). The regulator also sets minimum requirements within the framework of Pillar 2 on a discretionary basis.

Minimum Pillar 1 requirements

Since 2015, the Pillar 1 capital requirements have been as follows:

Minimum requirements of Pillar 1	
Common Equity Tier 1 (CET1)	4.50%
Tier 1	6.00%
Total capital	8.00%

To date, countercyclical buffers have been activated in six countries by the competent national authorities. Many countries have eased their countercyclical buffer requirements as a result of the Covid-19 crisis. In terms of French exposure, the High Council for Financial Stability (HCFS) lowered the countercyclical buffer rate from 0.25% to 0% on 2 April 2020.

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).

Since 2017, the ECB has developed the methodology used, dividing the prudential requirement into two parts:

- a Pillar 2 Requirement (P2R). 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;

On 12 March 2020, in view of the impacts of the Covid-19 crisis, the European Central Bank brought forward the entry into force of Article 104a of the CRD 5 and has authorised institutions under its supervision to use Tier 1 capital and Tier 2 capital to meet their additional capital requirements under P2R. In total, 75% of P2R can now 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.

At 31 December 2020, Crédit Agricole CIB must comply with a minimum consolidated CET1 ratio (including Pillar 1, Pillar 2 R, capital conservation buffer and countercyclical buffer requirements) of at least 7.88%.

COMBINED BUFFER REQUIREMENTS AND DISTRIBUTION RESTRICTION THRESHOLD

The regulations provide for the introduction of capital buffers that are gradually being phased in:

- the capital conservation buffer (2.5% of risk-weighted assets in 2020);
- the countercyclical buffer (rate theoretically within a range of 0 to 2.5%), 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;
- systemic risk buffers (0 to 3% generally, up to 5% with the European Commission's approval, and higher in exceptional cases); for Global Systemically Important Banks (G-SIBs, 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 applies. Only the Crédit Agricole Group is a G-SIB and has had a buffer of 1% since 1 January 2019, phased-in at 0.75% in 2018. The Crédit Agricole CIB Group is not subject to such requirements.

To date, countercyclical buffers have been activated in six countries by the competent national authorities. Many countries have eased their countercyclical buffer requirements as a result of the Covid-19 crisis. In terms of French exposure, the High Council for Financial Stability (HCFS) lowered the countercyclical buffer rate from 0.25% to 0% on 2 April 2020.

Given Crédit Agricole CIB's exposures in these countries, Crédit Agricole CIB's countercyclical buffer rate at 31 December 2020 stands at 0.038%.

▶ Breakdown of the countercyclical buffer calculation at the end of December 2020

31.12.2020											
	General credit exposures		Trading book exposures		Capital requirements						
€ million	Standardised approach	IRB approach	Sum of long and short positions in the trading book	Value of trading book exposures for internal models	Exposure value under the standardised approach	General credit exposures	Trading book exposures	Total	Breakdown by country (%)	Countercyclical capital buffer rate by country (%) 31.12.2020	Institution-specific countercyclical buffer rate (%) 31.12.2021 [2]
Norway	-	1,148	-	-	30	-	-	30	0.508%	0.01%	0.01%
Hong Kong	463	4,538	-	-	122	-	-	122	2.062%	0.02%	0.02%
Czech Republic	-	147	-	-	5	-	-	5	0.088%	-	-
Slovakia	-	3	-	-	-	-	-	-	0.001%	-	-
Bulgaria	-	17	-	-	-	-	-	-	0.007%	-	-
Luxembourg	264	10,644	-	-	271	-	-	272	4.577%	0.01%	0.02%
France	5,289	42,304	124	1,451	1,138	126	-	1,264	21.314%	-	-
Other countries [1]	5,128	151,028	-	-	4,233	-	4	4,238	71.442%	-	-
Total	11,144	209,829	124	1,451	5,801	126	4	5,932	100.000%	0.04%	0.05%

[1] For which no countercyclical buffer has been defined by the competent authority.

[2] The countercyclical capital buffer rate projected at 31 December 2021 is calculated by using the buffer rates by country known to date and applicable in no later than twelve months and the breakdown of capital requirements by country as at 31 December 2020.

▶ Countercyclical buffer requirements (in millions of euros) (CCYB2)

Countercyclical buffer requirement	31.12.2020	31.12.2019
Total risk exposure	124,143	120,474
Institution-specific countercyclical buffer (%)	0.0377%	0.188%
Institution-specific countercyclical buffer (in million of euros)	**47**	**227**

▶ Summarised

Combined buffer requirement	31.12.2020	31.12.2019
Phased capital conservation buffer	2.50%	2.50%
Phased systemic buffer	-	-
Countercyclical buffer	0.04%	0.19%
Combined buffer requirement	**2.54%**	**2.69%**

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. With the early application of Article 104a of CRD 5, 75% of the P2R requirement may now be covered by Tier 1 capital, at least 75% of which must be CET1 capital. Crédit Agricole CIB's CET1 capital requirement has therefore been 66 bp lower since the first quarter of 2020.

	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%
Capital Conservation buffer	2.50%	2.50%	2.50%
Countercyclical buffer	0.04%	0.04%	0.04%
SREP requirement (a)	7.88%	9.67%	12.04%
31.12.20 Phased-in solvancy ratios (b)	**11.71%**	**16.14%**	**19.18%**
Distance to SREP requirement (b-a)	383 pb	647 pb	714 pb
Distance to MDA trigger threshold	**383 pb (€5 bn)**	**-**	**-**

At 31 December 2020, the Crédit Agricole CIB Group had a buffer of 383 basis points above the MDA trigger point, i.e., approximately €5 billion in CET1 capital.

Overall capital requirement

After the Pillar 1, Pillar 2 and total capital buffer requirements have been taken into account, the SREP capital requirement is, ultimately, as follows:

SREP own funds requirement	31.12.2020	31.12.2019
Pillar 1 minimum CET1 requirement	4.50%	4.50%
Additional Pillar 2 requirement (P2R)	0.84%	1.50%
Combined buffer requirement	2.54%	2.69%
CET1 requirement	**7.88%**	**8.69%**
Pillar 1 minimum AT1 requirement	1.50%	1.50%
P2R in AT1	0.28%	-
Pillar 2 minimum Tier 2 requirement	2.00%	2.00%
P2R in Tier 2	0.38%	-
Overall capital requirement	**12.04%**	**12.19%**

As 31 December 2020, the Crédit Agricole CIB Group must therefore comply with a minimum CET1 ratio of 7.88%. This level includes the Pillar 1, Pillar 2 (P2R), capital conservation buffer and countercyclical buffer requirements (based on the decisions known to date).

3.1.6 Definition of capital

3.1.6.1 TIER 1 CAPITAL

This is made up of Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital.

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;
- eligible minority interests, which are partially derecognised, or even excluded, depending on whether or not the subsidiary is an eligible credit institution; this partial derecognition is in the amount of the extra capital required 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;
  - the prudent valuation (the prudent valuation defined by the prudential regulations consisting of the adjustment of the total assets and liabilities measured at fair value using a prudential method that aims to deduct any value adjustments);
  - the deduction of deferred tax assets that rely on future profits and arise from tax loss carry forwards;
  - the deduction of the negative amounts resulting from a provision shortfall given expected losses (EL);
  - the deduction of the CET1 instruments held in holdings of less than or equal to 10% (minor investments) above an allowance of 10% of CET1 capital; the items not deducted are included in risk-weighted assets (variable weighting according to instrument type and Basel method);
  - the deduction of deferred tax assets that rely on future profits and arise from temporary differences above an allowance of 17.65% of CET1 capital. This allowance, applied after the application of a first allowance of 10% of CET1 capital, is common with the non-deducted share of the CET1 instruments held in holdings of more than 10%; the items not deducted are included in risk-weighted assets (250% weighting);
  - the deduction of the CET1 instruments held in holdings of more than 10% (significant investments) above an allowance of 17.65% of CET1 capital. This allowance, applied after the application of a first allowance of 10% of CET1 capital, is common with the non-deducted share of deferred tax assets that rely on future profits and arise from temporary differences; the items not deducted are included in risk-weighted assets (250% weighting);

Additional Tier 1 (AT1) capital

ADDITIONAL TIER 1 CAPITAL ELIGIBLE UNDER BASEL III ON A FULLY LOADED BASIS

This comprises:

- additional Tier 1 or AT1 capital eligible under Basel III, which consists of undated debt instruments without any redemption incentives or obligations (particularly including step-up clauses);

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- deductions of direct holdings of AT1 instruments (including market-making instruments);
- deductions of holdings in financial sector entities associated with this tier;
- AT1 capital components or other deductions (including AT1-eligible minority interests).

AT1 instruments eligible for CRR 575/2013 as amended by CRR 2019/876 (CRR 2) 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.

At 31 December 2020, Crédit Agricole CIB's CET1 ratio was 11.7%. Thus, the CET1 equity capital represented a capital buffer of €8.0 billion relative to loss absorption thresholds.

At 31 December 2020, there was no applicable restriction on the payment of coupons.

The CRR 2 Regulation adds eligibility criteria. In particular, where instruments issued by an institution established in the European Union are subject to the laws of a third country, these must include a bail-in clause in order to be fully eligible. These provisions apply to each category of capital instruments (AT1 and Tier 2).

These instruments are published and described in detail on the website (https://www.ca-cib.com/about-us/financial-information/regulated-information) in Appendix II "Main features of capital instruments."

3.1.6.2 TIER 2 CAPITAL

This comprises:

- subordinated debt instruments, which must have a minimum maturity of five years and must not include any early repayment incentives. A haircut is applied to these instruments during the five-year period prior to their maturity date;
- grandfathering as described for the phased-in AT1 debt above;
- 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 the risk-weighted assets under IRB;
- deductions of holdings in financial sector entities associated with this tier, predominantly in the insurance sector (since most subordinated banking receivables are not eligible);
- any deductions of holdings of eligible instruments issued by systemically important institutions (to avoid the double accounting of commitments for the purposes of the TLAC ratio requirement, systemically important institutions must deduct their holdings of eligible commitment instruments issued by other systemically important institutions. These holdings must first be deducted from the institution's eligible commitments, then, if these are not sufficient, from Tier 2 capital instruments);
- Tier 2 capital components or other deductions (including Tier 2-eligible minority interests).

The Tier 2 amount used in the fully-loaded ratios is equal to the Tier 2 capital instruments that are eligible under CRR No. 575/2013 as amended by CRR No. 2019/876 (CRR2).

These instruments are published and described in detail on the website (https://www.ca-cib.com/about-us/financial-information/regulated-information) in Appendix II "Main features of capital instruments."

3.1.6.3 TRANSITIONAL PROVISIONS

Less stringent transitional provisions were provided for to make it easier for credit institutions to comply with CRR2/CRD IV, including 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 CRD3 and that are no longer classed as capital due to the entry into force of CRD4, 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 from 1 January 2014;
- instruments whose issue date was earlier may, under certain conditions, be subject to a grandfather clause. Under such a clause, these instruments are gradually excluded over an eight-year period, with a 10% reduction each year. In 2014, 80% of the total stock declared at 31 December 2012 was recognised, then 70% in 2015, etc.
- The derecognised share may be included in the capital tier below (from AT1 to Tier 2, for example) if it meets the corresponding criteria.

CRR2 has added to these provisions by introducing a grandfather clause whereby ineligible instruments issued between 1 January 2014 and 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:

- the Additional Tier 1 capital eligible under CRR 2 (AT1);
- the Additional Tier 1 capital instruments eligible under the CRR issued between 1 January 2014 and 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.)
  - 20% (regulatory threshold for 2020) of the total Tier 1 stock at 31 December 2012, which stood at €4,691 million, or a maximum recognisable amount of €938 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 used in the ratios is equal to the sum of:

- the CRR 2-eligible Tier 2 capital;
- the Tier 2 capital instruments eligible under the CRR issued between 1 January 2014 and 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 20% threshold (threshold for 2020) for ineligible Tier 1 securities;
  - 20% (threshold for 2020) of the CRR-ineligible Tier 2 stock at 31 December 2012, which stood at €680 million, or a maximum recognisable amount of €136 million.

3.1.6.4 SIMPLIFIED PRUDENTIAL CAPITAL AT 31 DECEMBER 2020

Solvency ratios

€ million	31.12.2020 Phased-in	31.12.2020 Fully loaded	31.12.2019 Phased-in	31.12.2019 Fully loaded
Capital and reserves Group share [1]	16,545	16,545	17,103	17,103
(+) Tier 1 capital in accordance with French Prudential Supervisory and Resolution Authority stipulations (shareholder advance)	-	-	-	-
(+) Eligible minority interests	114	114	96	96
(-) Prudent valuation	(508)	(508)	(746)	(746)
(-) Deductions of goodwill and other intangible assets	(1,286)	(1,286)	(1,407)	(1,407)
(-) Deferred tax assets that rely on future profitability not arising from temporary differences after deducting associated tax liabilities	(21)	(21)	(17)	(17)
(-) Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach from CET1	(7)	(7)	(11)	(11)
(-) Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences [2]	-	-	-	-
CET1 instruments held by financial sector entities in which the credit institution has a significant investment	103	103	189	189
The deductible deferred tax assets that rely on future profitaility arising from temporary differences	383	383	366	366
Utilisation of the exemption thershold of 10% (i) individually for CET 1 instruments of financial sector entities on the one hand (ii) deferred tax on the other hand	1,453	1,453	1,461	1,461
(-) Transparent treatment of UCITS	(4)	(4)	(6)	(6)
Transitional adjustments and other deductions applicable to CET1 capital [2]	(298)	(298)	(398)	(398)
COMMON EQUITY TIER 1 (CET1)	**14,534**	**14,534**	**14,613**	**14,613**
Equity instruments eligible as AT1 capital	4,649	4,649	4,149	4,149
Ineligible AT1 capital instruments qualifying under grandfathering clause	938	-	1,407	-
Tier 1 or Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 1 capital	-	-	-	-
Transitional adjustments and other deductions applicable to Tier 1	(82)	(82)	14	14
ADDITIONAL TIER 1 CAPITAL	**5,506**	**4,567**	**5,570**	**4,163**
TIER 1 CAPITAL	**20,040**	**19,102**	**20,184**	**18,776**
Equity instruments and subordinated borrowings eligible as Tier 2 capital	3,225	3,225	3,269	3,269
Ineligible equity instruments and subordinated borrowings	137	-	209	-
Surplus provisions relative to expected losses eligible under the internal ratings based approach and general credit risk adjustments under the standardised approach	412	412	365	365
Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 2 capital	-	-	-	-
Transitional adjustments and other deductions applicable to Basel 2	-	-	8	-
TIER 2 CAPITAL	**3,774**	**3,637**	**3,851**	**3,634**
TOTAL CAPITAL	**23,814**	**22,739**	**24,035**	**22,410**
TOTAL RISK WEIGHTED ASSETS	**124,143**	**124,143**	**120,474**	**120,474**
CET1 RATIO	11.7%	11.7%	12.1%	12.1%
TIER 1 RATIO	16.1%	15.4%	16.8%	15.6%
TOTAL CAPITAL RATIO	19.2%	18.3%	20.0%	18.6%

[1] This line is detailed in the table below showing the reconciliation of accounting and regulatory capital.

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

Common Equity Tier 1 (CET1) capital stood at €14.5 billion at 31 December 2020, almost stable (-€0.1 billion) compared with the end of 2019.

The events that affected CET1 capital in 2020 were principally the foreign exchange effect of -€0.3 billion, retained earnings for 2020 of +€0.3 billion, and the payment in the form of a dividend of the Group's AT1 coupons of -€0.2 billion, the fall in the prudent valuation deduction (+€0.2 billion) as well as the fall in deductions for goodwill and intangible assets (+€0.1 billion) resulting from the new prudential treatment of software.

For the record, there have been no transitional provisions applicable to components of CET1 capital since 1 January 2018.

Fully loaded Tier 1 capital amounted to €19.1 billion at 31 December 2020, up €0.3 billion compared with 31 December 2019, whilst the phased-in amount was €20 billion, down €0.2 billion compared with 31 December 2019. This includes the CET1 capital described above and the Additional Tier 1 (AT1) capital, which underwent the following changes:

- the hybrid securities eligible as Tier 1 capital under Basel III amounted to €4.6 billion, up €0.5 billion in 2020;
- prior to 1 January 2014 the entire stock was ineligible on a fully-loaded basis. On a phased-in basis, the grandfather clause enabled the retaining of a debt amount equal to no more than 20% of the stock at 31 December 2012 i.e., €0.9 billion. The amount of these "grandfathered" securities decreased mainly due to the early redemption at the start of 2020 and the amortisation of the grandfathered stock. As a result, the total residual stock benefiting from grandfathering at 31 December 2020 was slightly higher than the maximum recognised base (by €0.1 billion).

Fully loaded Tier 2 capital, at €3.6 billion, was unchanged since 31 December 2019:

- the hybrid securities eligible as Tier 2 capital under Basel III amounted to €3.2 billion, down €0.1 billion;
- the provisions in excess of expected losses according to the internal ratings-based approach and the general credit risk adjustments gross of tax effects according to the standardised approach came to €0.4 billion at 31 December 2020, unchanged from the position at 31 December 2019.

In all, fully loaded total capital at 31 December 2020 stood at €22.7 billion, up €0.3 billion from 31 December 2019. Phased-in total capital amounted to €23.8 billion, down €0.2 billion compared with 31 December 2019.

3.1.6.5 CHANGES IN REGULATORY EQUITY CAPITAL IN 2020

€ million	FLOWS 31.12.2020 phased-in vs 31.12.2019 phased-in
Common Equity Tier 1 capital at 31.12.2019	**14,613**
Increase in share capital and reserves (including dividend payment in shares)	(878)
Capital repayment [1]	-
Income of the year before dividend distribution	1,341
Expected dividend	(1,023)
Exceptional dividend distribution	0
Advance dividend payment	0
Unrealised capital gains and losses on available-for-sale securities and other unrealised capital gain and losses	(93)
Prudent valuation	239
Minority interests	18
Change in goodwill and other intangible assets	121
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted CET1	4
Regulatory adjustments [2]	193
COMMON EQUITY TIER 1 CAPITAL AT 31.12.2020	**14,534**
Additional Tier 1 capital at 31.12.2019	**5,570**
Issues	500
Redemptions	(469)
Regulatory adjustments [2]	(95)
ADDITIONAL TIER 1 CAPITAL AT 31.12.2020	**5,506**
TIER 1 CAPITAL	**20,040**
Tier 2 capital at 31.12.2019	**3,851**
Issues	1,475
Redemptions	(1,591)
Regulatory adjustments including amortisation [2 3]	38
TIER 2 CAPITAL AT 31.12.2020	**3,774**
TOTAL CAPITAL AT 31.12.2020	**23,814**

[1] Capital repayment: shareholder advance.
[2] Change is related to foreign currency impacts.
[3] Tier 2 instruments are subject to a haircut during the 5-year period prior to their maturity date.

3.1.6.6 RECONCILIATION OF ACCOUNTING AND REGULATORY CAPITAL

€ million	31.12.2020		31.12.2019	
	Phased-in	Fully loaded	Phased-in	Fully loaded
EQUITY, GROUP SHARE (CARRYING AMOUNT) [1]	**22,484**	**22,484**	**22,033**	**22,033**
Expected dividend payment on result of year Y	-	-	-	-
Advance dividend paid	-	-	-	-
Payment on exceptional dividend	-	-	-	-
Net income not taken into account in regulatory capital	(1,023)	(1,023)	(511)	(511)
Filtered unrealised gains/(losses) on change in own credit risk on structured products	247	247	136	136
Filtered unrealised gains/(losses) on change in own credit risk on derivatives	(513)	(513)	(310)	(310)
Filtered unrealised gains/(losses) on cash flow hedges	-	-	-	-
Transitional regime applicable to unrealised gains/(losses)	-	-	-	-
AT1 instruments included in equity (carrying amount)	(4,649)	(4,649)	(4,149)	(4,149)
Other regulatory adjustments	-	-	-	-
Capital and reserves Group share	**16,545**	**16,545**	**17,103**	**17,103**
Minority interests (carrying amount)	114	114	96	96
(-) items not recognised under regulatory framework	(114)	(114)	(96)	(96)
(-) preferred shares	-	-	-	-
Minority interests	-	-	-	-
Other equity instruments	-	-	-	-
Deductions of goodwill and other intangible assets	(1,286)	(1,286)	(1,407)	(1,407)
Deferred tax assets that rely on future profitability not arising from temporary differences [1]	(21)	(21)	(17)	(17)
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach deducted from the CET1	(7)	(7)	(11)	(11)
Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences	-	-	-	-
(-) transparent treatment of UCITS	(4)	(4)	(6)	(6)
Prudent valuation	(508)	(508)	(746)	(746)
Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences	-	-	-	-
Other CET1 components	(184)	(184)	(398)	(398)
TOTAL CET1	**14,534**	**14,534**	**14,613**	**14,613**
AT1 equity instruments (including preferred shares)	5,587	4,649	5,557	4,149
Tier 1 or Tier 2 instruments of financial-sector entities in which the institution holds a significant investment deducted fromTier 1 capital	-	-	-	-
Transitional adjustments, other deductions and minority interests	(82)	(82)	14	14
Other components of Tier 1 capital	-	-	-	-
Total Additional Tier 1	**5,506**	**4,567**	**5,570**	**4,163**
TOTAL TIER 1	**20,040**	**19,102**	**20,184**	**18,776**
Tier 2 equity instruments	3,362	3,225	3,478	3,269
Surplus provisions relative to expected losses eligible under the internal ratings based approach	412	412	365	365
General credit risk adjustments under the standardised approach	-	-	-	-
Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 2 capital	-	-	-	-
Transitional adjustments, other deductions and minority interests	-	-	8	-
Other Tier 2 items	-	-	-	-
TOTAL TIER 2	**3,774**	**3,637**	**3,851**	**3,634**
Ownership interests and investments in insurance companies	-	-	-	-
TOTAL CAPITAL	**23,814**	**22,739**	**24,035**	**22,410**

[1] *The impact of transitional adjustments is included in the phased-in figures.*

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3.1.7 Other ratios

3.1.7.1 LEVERAGE RATIO

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 27 June 2019, the leverage ratio has become a minimum Pillar 1 requirement, whose level has been set at 3%, effective from 28 June 2021.

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.

Leverage ratio - Joint statement (LRCOM-T)

€ million		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		-
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	319,244
2	(Asset amounts deducted in determining Tier 1 capital)	(2,354)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**316,890**
Derivative exposures		-
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	21,479
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	32,460
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	5,044
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(25,558)
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	13,631
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(5,980)
11	**Total derivative exposures (sum of lines 4 to 10)**	**41,077**
SFT exposures		-
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	255,286
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(124,910)
14	Counterparty credit risk exposure for SFT assets	14,539
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	**144,915**
Other off-balance sheet exposures		-
17	Off-balance sheet exposures at gross notional amount	205,570
18	(Adjustments for conversion to credit equivalent amounts)	(85,159)
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	**120,410**
Exempted exposures in accordance with Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		-
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	(31,258)
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet)) [1]	(25,751)
Capital and total exposures		-
20	Tier 1 capital	20,040
21	**Total leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**566,283**
Leverage ratio		-
22	Leverage ratio	3.54%
22.A	Leverage ratio (excluding the transitional provisions on exemption from central bank exposures under Article 500 ter of Regulation 873/2020)	3.38%
Choice on transitional arrangements and amount of derecognised fiduciary items		-
EU-23	Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-

[1] *Including exposures excluded under Article 500b of Regulation (EU) No 873/2020.*

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▶ Summary reconciliation of accounting assets and leverage ratio exposures (LRSUM-T)

€ million		Applicable amount
1	Total assets as per published financial statements	593,890
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(7,608)
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	-
4	(Adjustments for derivative financial instruments)	(95,587)
5	Adjustments for securities financing transactions (SFTs)	14,541
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	120,410
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429 (paragraph 7) of Regulation (EU) No 575/2013)	(31,258)
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429 (paragraph 14) of Regulation (EU) No 575/2013) [1]	(25,751)
7	Other adjustments	(2,354)
8	**Leverage ratio total exposure measure**	**566,283**

[1] *Including exposures excluded under Article 500b of Regulation (EU) No 873/2020.*

▶ Breakdown of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (LRSPL)

€ million		CRR Leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	267,955
EU-2	Trading book exposures	33,901
EU-3	Banking book exposures, of which:	234,055
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	59,880
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1,402
EU-7	Institutions	24,927
EU-8	Secured by mortgages of immovable properties	333
EU-9	Retail exposures	13,813
EU-10	Corporate	124,253
EU-11	Exposures in default	4,550
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	4,897

◆ Description of the procedures used to manage the risk of excessive leverage

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 (solvency ratio/resolution ratio) and liquidity management already limiting the size of the balance sheet. As part of the monitoring of excessive leverage, Group level management is carried out setting limits on the size of the balance sheets of certain activities that are considered to be limited consumers of risk-weighted assets.

◆ Description of the factors that had an impact on the leverage ratio during the period to which the leverage ratio reported by the institution relates

The leverage ratio, which was relatively stable compared to 31 December 2019 (- 2 bps) was impacted by the fall in phased-in equity capital (-€0.2 billion) explained in Section 3.1.6.4, and also by the net fall in exposures (-€5.2 billion): the increase in balance sheet exposures (+€3.8 billion), exposures from derivatives (+€5.1 billion) and SFT transactions (+€32 billion), largely as a result of exempt intragroup transactions (this item rose by €17.9 billion) were offset by the fall in off-balance sheet items (-€2.4 billion) and the exemption applied to a proportion of exposures to the European Central Bank resulting from the application of a “quick fix CRR2” provision (-€25.8 billion).

3.1.7.2 RESOLUTION RATIOS

◆ MREL Ratio

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio is defined in the European Bank Recovery and Resolution Directive (BRRD). This directive establishes a framework for the resolution of banks throughout the European Union, aiming to equip the resolution authorities with joint instruments and powers to prevent banking crises, preserve financial stability and reduce taxpayers’ exposure to losses. Directive (UE) 2019/879 of 20 May 2019 (the BRRD2) amended the BRRD and was transposed into French law by Order 2020-1636 of 21 December 2020.

The MREL ratio represents the minimum capital and eligible liabilities that must be available to absorb the losses in the event of resolution. The minimum levels to be complied with are decisions taken by the resolution authorities and notified to each institution and then periodically reviewed.

In 2020, the Crédit Agricole Group was notified of the revision of its total MREL requirement at consolidated level, and of a new subordinated MREL requirement (from which senior debt instruments are generally excluded, in line with TLAC standards). These two requirements were already met by the Group at the time of their notification. Calibrated under BRRD, they apply until the next notification, which will incorporate changes to the European regulatory framework (i.e., BRRD2).

Under BRRD, the MREL ratio is calculated as an amount of capital and eligible liabilities, expressed as a percentage of the institution's total liabilities and capital after certain prudential restatements (Total Liabilities and Own Funds, TLOF), or in terms of risk-weighted assets (RWA).

The following are eligible for the MREL ratio's numerator: prudential capital, subordinated notes with a residual maturity of more than one year (including those not eligible prudentially and the discounted share of Tier 2 instruments), non-preferred senior debt with a residual maturity of more than one year, and certain preferred senior debts with a residual maturity of more than one year. The preferred senior debt eligible for the MREL is subject to the assessment of the Single Resolution Board (SRB).

The MREL ratio is used to calibrate an eligible liability requirement and does not predetermine the debt that would effectively be called on to absorb losses in the event of resolution.

Crédit Agricole Group's objective is to achieve a subordinated MREL ratio (excluding potentially eligible preferred senior debt) of 24-25% of RWAs, by the end of 2022, and to keep the subordinated MREL ratio above 8% of the TLOF. This level would enable access to the Single Resolution Fund (subject to the decision of the resolution authority) before the application of the internal bail-in to preferred senior debt, creating an additional layer of protection for investors in preferred senior debt.

At 31 December 2020, Crédit Agricole Group had a MREL ratio estimated at 11% of TLOF and 8,5% excluding eligible preferred senior debt. Expressed as a percentage of risk-weighted assets, Crédit Agricole Group's estimated MREL ratio was around 33% at the end of December 2020. It was 25.5% excluding eligible senior debt at the end of June 2020.

The individual MREL decision by the SRB to which Crédit Agricole CIB may be subject is expected in 2021. This objective defined by the resolution authority may be different from the objective set for the Group.

TLAC Ratio

This ratio, whose terms were set out in a Term Sheet published on 9 November 2015, was established by the Financial Stability Board (FSB) at the G20's request. The FSB thus defined the calculation of a ratio aimed at estimating the adequacy of the loss absorption and recapitalisation capacities of global systemically important banks (G-SIBs). This Total Loss Absorbing Capacity (TLAC) ratio provides the resolution authorities with the means to assess whether G-SIBs have a sufficient loss absorption and recapitalisation capacity before and during resolution. The resolution authorities will therefore be able to implement an ordered resolution strategy that minimises the impact on financial stability, guarantees the continuity of the critical economic functions of G-SIBs and limits demands on taxpayers. The ratio applies to global systemically important financial institutions, and therefore to the Crédit Agricole Group, but not to Crédit Agricole CIB, as it is not classified as a G-SIB by the FSB.

Loss-absorbing items consist of capital, subordinated notes and debt to which the resolution authority may apply the bail-in mechanism. The TLAC ratio requirement was transposed into European Union law through CRR2 and has been applicable since 27 June 2019. Since this date, the Crédit Agricole Group has had to comply with the following requirements at all times:

- TLAC ratio of more than 16% of risk-weighted assets (RWA), plus, in accordance with CRD5, a combined buffer requirement (including, for the Crédit Agricole Group, a capital conservation buffer of 2.5%, a G-SIB buffer of 1% and the countercyclical buffer). Including the combined buffer requirement, the Crédit Agricole Group must adhere to a TLAC ratio of more than 19.5% (plus the countercyclical buffer);
- TLAC ratio of more than 6% of the Leverage Ratio Exposure (LRE). From 1 January 2022, the minimum TLAC ratio requirements will increase to 18% of risk-weighted assets – plus the combined buffer requirement at that date – and 6.75% of the leverage ratio exposure.

3.1.8 Supervision

Credit institutions and certain authorised investment activities referred to in Annex 1 to Directive 2004/39/EC are subject to solvency and large exposure ratios on an individual, or, where applicable, a sub-consolidated basis.

The Autorité de Contrôle Prudentiel et de Résolution (ACPR) has agreed that some Group subsidiaries may benefit from the exemption on an individual or, where applicable, a sub-consolidated basis, under the conditions provided for by Article 7 of the CRR. 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.

3.2 MANAGEMENT OF ECONOMIC CAPITAL

3.2.1 Overall process

In order to assess and continuously maintain adequate equity capital to cover the risks to which it is exposed, Crédit Agricole CIB complements the measurement of regulatory capital requirements (Pillar 1) by a measure of economic capital needs, which is based on the risk identification process and an internal valuation approach (Pillar 2).

The assessment of economic capital requirements is one of the elements of the ICAAP process (Internal Capital Adequacy Assessment Process), which also covers:

- the programme of stress tests – to introduce a forward-looking view of the impact of more adverse scenarios on the level of risk and on the solvency of Crédit Agricole CIB;
- as well as controlling the capital requirements through capital planning, capital allocation and the control of profitability.

Economic capital is controlled in accordance with an interpretation of the principal regulatory requirements:

- the Basel agreements;
- CRD 4 *via* its transposition into French regulations by the Decree of 3 November 2014;
- the European Banking Authority guidelines;
- and the ECB's regulatory requirements for the ICAAP and ILAAP of November 2018, as well as the consistent collection of information on this subject.

Crédit Agricole CIB applies the standards and methods defined by the Crédit Agricole Group and is careful to ensure that the process for the measurement of economic capital requirements is subject to appropriate organisation and governance.

3.2.2 Economic capital requirement

The economic capital requirement quantifies the requirements for capital for each of the major risks identified in the annual risk identification process.

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 Crédit Agricole CIB overall and to classify them into categories and sub-categories, using the same terms as those used for the whole of the 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 external data. It is 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 an internal approach;
- the economic capital requirements in relation to risks that are not addressed by Pillar 1 are specifically calculated, based on internal approaches.

Specific governance within Crédit Agricole CIB ensures the consistency of all methodologies for measuring economic capital requirements.

The measurement of the economic capital requirements is supplemented by a projection for the current year, in line with capital planning forecasts at that date, in order to incorporate planned changes, including the effects of the main prudential reforms anticipated.

The list of major risks is updated and approved annually. The main 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 2020, the economic capital requirements relating to risks subject to quantification are covered by internal capital.

In addition to the quantitative aspect, the Group's approach also has a qualitative component that supplements the measurement of economic capital requirements with indicators on the business lines' exposure to risk and their permanent control.

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 control and permanent control system may be improved;
- to identify any items that have not been correctly analysed by the quantitative ICAAP measurements.

▶ Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (LI1)

	31.12.2020						
			Carrying values of items				
€ billions	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
ASSETS							
Cash, central banks	54	55	55	-	-	-	-
Available-for-sale financial assets	284	284	-	259	-	162	-
Other financial assets at fair value through profit or loss	-	-	-	-	-	-	-
Hedging derivative instruments	2	2	-	2	-	-	-
Accounted debt's instruments at fair value through recyclable own funds	11	11	9	-	2	-	-
Accounted own funds' instruments at fair value through non recyclable own funds	-	-	-	-	-	-	-
Loans and receivables due from credit institutions	27	27	26	1	-	-	-
Loans and receivables due from customers	142	142	141	1	-	-	-
Held-to-maturity financial assets	35	26	26	-	-	-	-
Revaluation adjustment on interest rate hedged portfolios	-	-	-	-	-	-	-
Deferred tax assets	1	1	1	-	-	-	-
Accruals, prepayments and sundry assets	-	35	30	4	-	-	-
Non-current assets held for sale	1	1	1	-	-	-	-
Deferred participation benefits	-	-	-	-	-	-	-
Investments in equity-accounted entities	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-
Property, plant and equipment	1	1	1	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Goodwill	1	1	-	-	-	-	1
TOTAL ASSETS	**594**	**586**	**291**	**267**	**2**	**162**	**1**
LIABILITIES							
Central banks	1	1	-	-	-	-	1
Available-for-sale financial liabilities	250	250	-	84	-	-	167
Financial liabilities at fair value through options	24	21	-	-	-	-	21
Hedging derivative instruments	2	1	-	-	-	-	1
Due to credit institutions	61	65	-	1	-	-	63
Due to customers	149	165	-	1	-	-	165
Debt securities	42	19	-	-	-	-	19
Revaluation adjustment on interest rate hedged portfolios	-	-	-	-	-	-	-
Current and deferred tax liabilities	2	2	2	-	-	-	-
Accruals, deferred income and sundry liabilities	33	33	4	-	-	-	29
Liabilities associated with non-current assets held for sale	-	-	-	-	-	-	-
Insurance company technical reserves	-	-	-	-	-	-	-
Provisions	1	2	-	-	-	-	2
Subordinated debt	4	4	-	-	-	-	4
Total liabilities	**571**	**564**	**6**	**85**	**-**	**-**	**472**
TOTAL EQUITY	**23**	**23**	**-**	**-**	**-**	**-**	**23**
of which equity - group share	**22**	**22**	**-**	**-**	**-**	**-**	**22**
of which share capital and reserves	14	14	-	-	-	-	14
of which consolidated reserves	7	7	-	-	-	-	7
Other comprehensive income	(0)	(0)	-	-	-	-	(0)
Other comprehensive income on non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
Net income/(loss) for the year	1	1	-	-	-	-	1
of which Non-controlling interests	-	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**594**	**586**	**6**	**85**	**-**	**-**	**495**

The carrying amounts for the regulatory scope of consolidation (column b) are not equal to the sum of their breakdown by the risk (coloumns c to g) as an exposure may be subject to several types of risk.

▶ Main sources of differences between regulatory exposure amounts and carrying values in financial statements (LI2)

		31.12.2020				
			Items subject to :			
	€ billions	TOTAL	Credit risk framework [2]	Counterparty credit risk framework	Securitisation framework	Market risk framework [1]
1	**Asset carrying value amount under the scope of regulatory consolidation (as per template EU LI1)**	**585**	**291**	**267**	**2**	**161**
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	91	6	85	-	-
3	**Total net amount under the regulatory scope of consolidation**	**494**	**285**	**182**	**2**	**161**
4	Off-balance-sheet amounts	261	81	-	43	-
5	Differences in valuations	-	-	-	-	-
6	Differences in netting rules	(131)	-	(131)	-	-
7	Difference due to consideration of provisions	3	3	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(9)	(9)	-	-	-
9	Differences due to credit conversion factors	(64)	-	-	-	-
10	Differences due to Securitisation with risk transfer	-	-	-	-	-
11	Other adjustments	41	10	31	-	-
12	**Exposure amount considered for regulatory purposes**	**497**	**371**	**82**	**45**	**-**

[1] Exposures related to market risk include the exposures subject to the calculation of counterparty risk on the derivatives.
[2] Off-balance sheet amounts are post-CCF.

3.3 NOTES TO THE REGULATORY CAPITAL REQUIREMENTS

▶ 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 consol-idation	Proportional consolidation	Equity method	
UBAF	MEE	-	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
Shark FCC	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
TSUBAKI ON (FCT)	Overall	-	-	X	FINANCIAL AND INSURANCE ACTIVITIES - Financial services activities, excluding insurance and pension funds
TSUBAKI OFF (FCT)	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.

▶ Composition of capital at 31 December 2020

The table below is presented under the format of Annex IV and VI of Commission Implementing Regulation No. 1423/103 of 20 December 2013. In order to simplify matters, the headings used below are those of in Annex VI, namely the phased-in headings.

€ million		31.12.2020	
Numbering (phased-in)		Phased-in	Fully loaded
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	9,425	9,425
	of which: Crédit Agricole S.A. shares	9,425	9,425
2	Retained earnings	-	-
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	7,069	7,069
3a	Fund for general banking risk	-	-
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase out from CET1	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
5	Minority interests (amount allowed in consolidated CET1)	114	114
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	318	318
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	16,925	16,925
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(508)	(508)
8	Intangible assets (net of related tax liability) (negative amount)	(1,286)	(1,286)
9	Empty set in the EU	-	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	(21)	(21)
11	Fair value reserves related to gains or losses on cash flow hedges	(513)	(513)
12	Negative amounts resulting from the calculation of expected loss amounts	(7)	(7)
13	Any increase in equity that results from securitised assets (negative amount)	(265)	(265)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	247	247
15	Defined-benefit pension fund assets (negative amount)	-	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	-
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Empty set in the EU	82	82
20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	(4)	(4)
20b	of which: qualifying holdings outside the financial sector (negative amount)	(4)	(4)
20c	of which: securitisation positions (negative amount)	-	-
20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	-	-
22	Amount exceeding the 15% threshold (negative amount)	-	-
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Empty set in the EU	-	-
25	of which: deferred tax assets arising from temporary differences	-	-
25a	Losses for the current financial year (negative amount)	-	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	(114)	(114)
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	-

€ million		31.12.2020	
Numbering (phased-in)		Phased-in	Fully loaded
	Of which: unrealised gains (phase out)	-	-
	Of which: unrealised losses (phase out)	-	-
	Of which: unrealised gains linked to exposures to central administrations (phase out)	-	-
	Of which: unrealised losses linked to exposures to central administrations (phase out)	-	-
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	(114)	(114)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(2,391)	(2,391)
29	Common Equity Tier 1 (CET1) capital	14,534	14,534
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	4,649	4,649
31	of which: classified as equity under applicable accounting standards	4,649	4,649
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	938	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	Additional Tier 1 (AT1) capital before regulatory adjustments	5,587	4,649
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	-
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no. 575/2013 (i.e. CRR residual amounts)	-	-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) no. 575/2013	-	-
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to Article 475 of Regulation (EU) no. 575/2013	-	-
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	(82)	(82)
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	(82)	(82)
44	Additional Tier 1 capital (AT1)	5,506	4,567
45	Tier 1 capital (T1=CET1 + AT1)	20,040	19,102
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	3,225	3,225
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	137	-
	Public sector capital injections grandfathered until 1 January 2018	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Tier 2 (T2) capital before regulatory adjustments	412	412
51	Tier 2 (T2) capital: regulatory adjustments	3,774	3,637

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€ million		31.12.2020	
Numbering (phased-in)		Phased-in	Fully loaded
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Of which new holdings not subject to transitional arrangements	-	-
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-	-
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no. 575/2013 (i.e. CRR residual amounts)	-	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) no. 575/2013	-	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Article 475 of Regulation (EU) no. 575/2013	-	-
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	-	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-	-
58	Tier 2 (T2) capital	3,774	3,637
59	Total capital (TC=T1 + T2)	23,814	22,739
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no. 575/2013 (i.e. CRR residual amounts)	-	-
	Of which: CET1 instruments of financial sector entities not deducted from CET1 (Regulation (EU) no. 575/2013 residual amounts)	-	-
	Of which: Deferred tax assets that rely on future profitability and arising from temporary differences not deducted from CET1 (Regulation (EU) no. 575/2013 residual amounts)	-	-
	Of which: AT1 instruments of financial sector entities not deducted from AT1 (Regulation (EU) no. 575/2013 residual amounts)	-	-
	Of which: Tier 2 instruments of financial sector entities not deducted from Tier 2 (Regulation (EU) no. 575/2013 residual amounts)	-	-
60	Total risk weighted assets	124,143	124,143
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	11.71%	11.71%
62	Tier 1 (as a percentage of risk exposure amount)	16.14%	15.39%
63	Total capital (as a percentage of risk exposure amount)	19.18%	18.32%
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	-	-
65	of which: capital conservation buffer requirement	-	-
66	of which: countercyclical buffer requirement	-	-
67	of which: systemic risk buffer requirement	-	-
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	-	-
69	[non relevant in EU regulation]	-	-
70	[non relevant in EU regulation]	-	-
71	[non relevant in EU regulation]	-	-
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	587	587

€ million		31.12.2020	
Numbering (phased-in)		Phased-in	Fully loaded
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,453	1,453
74	Empty set in the EU	-	-
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	383	383
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in Tier 2 in respect of exposures subject to standardized approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	412	412
78	Credit risk adjustments included in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	383	383
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	412	412
Grandfathered equity instruments (applicable between 1 January 2013 and 1 January 2022 only)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	938	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	155	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

3.4 COMPOSITION AND CHANGES IN RISK-WEIGHTED ASSETS

3.4.1 Summary 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.

3.4.1.1 RISK-WEIGHTED ASSETS BY TYPE OF RISK (OV1)

Credit, market and operational risk-weighted assets amounted to €124.1 billion at 31 December 2020 compared with €120.5 billion at 31 December 2019.

		RWA		Minimal capital requirements
	€ million	31.12.2020	31.12.2019	31.12.2020
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**67,590**	**66,217**	**5,407**
2	of which standardised approach (SA)	11,085	12,472	887
3	of which foundation internal ratings-based (F-IRB) approach	-	-	-
4	of which advanced internal ratings-based (A-IRB) approach	55,337	51,235	4,427
5	of which equities under the IRB approach using the simple weighting method or internal models	1,151	2,494	92
	of which assets other than credit obligations	17	17	1
6	**Counterparty risk**	**18,723**	**17,017**	**1,498**
7	of which mark-to-market method	4,075	4,320	326
8	of which initial exposure method	-	-	-
9	of which standardised method	-	-	-
10	of which internal model method (IMM)	10,379	8,990	830
11	of which contributions to the default fund of a CCP	294	301	24
12	of which credit valuation adjustment (CVA)	3,975	3,405	318
13	**Settlement risk**	**1**	**15**	**-**
14	**Securitisation exposures in banking book (after capping)**	**8,473**	**7,336**	**678**
15	of which IRB approach (SEC-IRBA)	2,370	1,880	190
16	of which ERB approach (SEC-ERBA), including internal assessment approach (IAA)	5,177	4,182	414
17	of which standardised approach (SEC-SA)	926	740	74
18	of which other approach (1250%)	-	0	-
	of which transactions expired at 31/03/2020	-	534	-
19	**Market risk**	**6,614**	**8,239**	**529**
20	of which standardised approach (SA)	1,280	1,309	102
21	of which internal model approach (IMA)	5,333	6,930	427
22	Large exposures	-	-	-
23	**Operational risk**	**22,307**	**21,178**	**1,785**
24	of which elementary approach	-	-	-
25	of which standardised approach	496	482	40
26	of which advanced measurement approach	21,812	20,695	1,745
27	Amounts below deduction thresholds (before risk weighting of 250%)	436	473	35
28	**Basel 1 floor adjustment**	**-**	**-**	**-**
29	**TOTAL**	**124,143**	**120,474**	**9,932**

3.4.1.2 CHANGES IN RISK-WEIGHTED ASSETS

The table below shows Crédit Agricole CIB Group RWA change over 2020.

€ million	31.12.2019	Foreign exchange	Impacts of regulatory changes and models	Organic change and portfolio effects	Total change 2020	31.12.2020
Credit and counterparty risk	91,043	(3,511)	7,171	520	4,179	95,222
of which CVA	3,405	-	-	570	570	3,975
Market risk	8,254	-	-	(1,640)	(1,640)	6,614
Operational risk	21,178	-	1,263	(133)	1,130	22,307
Total	**120,474**	**(3,511)**	**8,434**	**(1,252)**	**3,670**	**124,143**

Risk-weighted assets stood at €124.1 billion, up €3.7 billion over the year.

This change is essentially explained by:

- the depreciation of the USD, GBP and JPY against the EUR in the amount of €3.5 billion;
- model and regulatory effects in the amount of €8.4 billion:
  - +€5.3 billion resulting from the implementation of the new securitisation regulatory framework
  - +€1.9 billion corresponding to the impact of the revision of models, mainly the impact on project financing
  - +€1.3 billion in respect of operational risk related to the outstanding aspects of the revision of the conduct risk model;
- an organic change including portfolio effects of -€1.2 billion, resulting mainly from:
  - virtually stable credit and counterparty risk excluding CVA, with portfolio effects resulting from the crisis (+€5.4 billion) offset by the drop in organic RWAs in the business lines and financial management (including -€1.4 billion corresponding to the disposal of the remaining stake in BSF);
  - a fall in market risks (-€1.6 billion) concentrated on stressed VaR and the IRC;
  - a slight decrease in the operational risk (-€0.1 billion);
  - an increase in credit risk related to CVA (+€0.6 billion).

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3.4.2 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.

3.4.2.1 GENERAL PRESENTATION OF CREDIT AND COUNTERPARTY RISK

3.4.2.1.1 1 Exposure by type of risk

The table below presents Crédit Agricole CIB Group's exposure to overall risk (credit, counterparty, dilution and settlement/delivery) by exposure class, for the standardised and internal ratings-based approaches at 31 December 2020 and at 31 December 2019. The 17 exposure classes under the standardised approach are grouped together to ensure a presentation consistent with the IRB exposures.

Gross exposure and exposure at default (EAD) to overall risk (credit, counterparty, dilution and settlement/delivery) at 31 December 2020

	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	EFP
Central governments and 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	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
of which secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
of which revolving	-	-	-	-	-	-	-	-	-	-	-	-	-
of which 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	-
of which secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
of which other loans	-	-	-	-	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
Other non-credit-obligation assets	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).*

Gross exposure and exposure at default (EAD) to overall risk (credit, counterparty, dilution and settlement/delivery) at 31 December 2019

	31.12.2019												
	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	EFP
Central governments and central banks	1,137	1,137	1,090	972	97,581	107,920	105,852	972	98,718	109,057	106,943	1,944	156
Institutions	18,087	35,453	34,984	925	72,099	76,776	73,528	6,491	90,185	112,229	108,512	7,416	593
Corporates	28,721	11,222	7,235	6,700	269,253	243,771	187,380	55,897	297,974	254,993	194,615	62,597	5,008
Retail	932	931	864	660	13,268	13,271	13,271	520	14,199	14,202	14,134	1,179	94
Loans to individuals	932	931	864	660	13,145	13,148	13,148	513	14,077	14,079	14,012	1,173	94
of which secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
of which revolving	-	-	-	-	-	-	-	-	-	-	-	-	-
of which other	932	931	864	660	13,145	13,148	13,148	513	14,077	14,079	14,012	1,173	94
Loans to small and medium businesses	-	-	-	-	122	122	122	7	122	122	122	7	1
of which secured by real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
of which other loans	-	-	-	-	122	122	122	7	122	122	122	7	1
Shares	324	-	324	326	1,135	-	958	2,967	1,460	-	1,282	3,293	263
Securitisations	503	-	503	327	39,802	-	39,802	5,008	40,305	-	40,305	5,335	427
Other non-credit-obligation assets	3,842	-	3,842	3,555	17	-	17	17	3,858	-	3,858	3,572	286
TOTAL	**53,545**	**48,743**	**48,841**	**13,465**	**493,154**	**441,738**	**420,808**	**71,871**	**546,699**	**490,481**	**469,649**	**85,335**	**6,827**

[1] *Initial gross exposure.*

[2] *Gross exposure after credit risk mitigation (CRM).*

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▶ Total net amount and average exposure (CRB-B)

Total net amount exposure was €522 billion on 31 December 2020 of which 92% was subject to a regulatory treatment based on internal ratings.

€ million		31.12.2020		31.12.2019	
		Net value of exposures at end of period	Average net exposures over the period [1]	Net value of exposures at end of period	Average net exposures over the period [2]
1	Central governments or central banks	97,445	105,079	97,552	89,196
2	Institutions	93,917	85,675	71,702	75,841
3	Corporates	273,838	278,606	266,725	259,227
4	of which: Specialised lending	61,146	62,411	64,547	63,044
5	of which: SMEs	890	774	788	732
6	Retail	13,122	12,758	13,249	13,362
7	Secured by mortgages on immovable property	-	-	-	-
8	SMEs	-	-	-	-
9	Non-SMEs	-	-	-	-
10	Qualifying revolving	-	-	-	-
11	Other retail	13,122	12,758	13,249	13,362
12	SMEs	117	123	122	123
13	Non-SMEs	13,005	12,635	13,127	13,239
14	Equity	311	459	946	426
15	**Total internal ratings-based approach**	**478,632**	**482,576**	**450,175**	**438,051**
16	Central governments or central banks	1,175	1,190	1,091	1,062
17	Regional governments or local authorities	41	43	45	45
18	Public sector entities	1	1	1	1
19	Multilateral development banks	20	15	21	13
20	International organisations	-	-	-	-
21	Institutions	11,864	18,856	18,000	19,156
22	Corporates	25,135	24,946	27,786	26,619
23	of which: SMEs	202	174	169	179
24	Retail	837	905	916	809
25	of which: SMEs	-	-	-	-
26	Secured by mortgages of immovable properties	164	196	188	223
27	of which: SMEs	2	2	3	11
28	Exposures in default	329	337	390	376
29	Items associated with particularly high risk	241	247	325	81
30	Covered bonds	-	-	-	-
31	Investment firms	-	-	-	-
32	Units or shares in funds	16	17	18	25
33	Shares	310	330	324	274
34	Other items	3,335	3,722	3,842	3,962
35	**Total standardised approach**	**43,469**	**50,805**	**52,947**	**52,645**
36	**TOTAL**	**522,101**	**533,381**	**503,121**	**490,696**

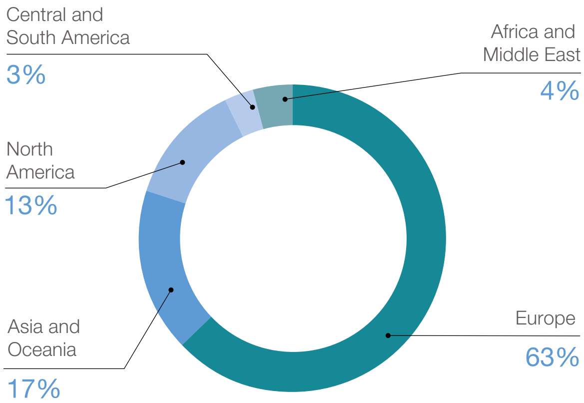
[1] The 2020 average is calculated based on data as at the closing date of each quarter of 2020.
[2] The 2019 average is calculated based on data as at the closing date of each quarter of 2019.

3.4.2.1.2 Exposures by geographic area

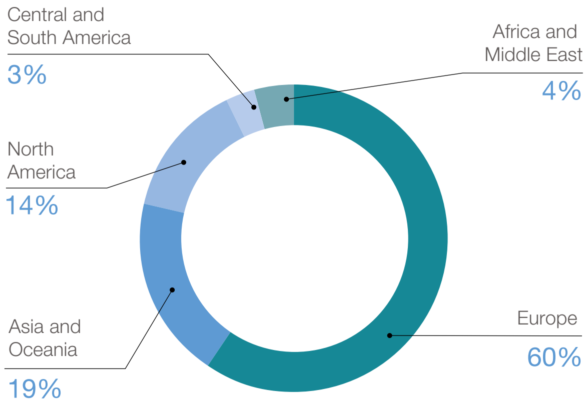
The total exposure of the Crédit Agricole CIB group is brown down by geographical area excluding securitisation transactions and “assets other than credit obligations”.

At 31 December 2020, this amount was €522 billion (€503 billion at 31 December 2019 for the same scope).

At 31 December 2020



At 31 December 2019



▶ Geographic breakdown of exposures (CRB-C)

	31.12.2020								
	EUROPE								
€ million	France	United Kingdom	Germany	Luxembourg	Switzerland	Italy	Netherlands	Spain	Others
Central governments or central banks	32,542	2,157	2,696	3,899	2,273	591	85	1,638	3,994
Institutions	57,769	5,617	1,255	2,417	3,782	970	1,424	1,566	2,203
Corporates	58,570	17,966	12,191	11,163	7,680	11,636	9,405	6,466	23,627
Retail	2,657	310	20	995	934	181	21	344	3,782
Equity	12	40	2	38	27	3	5	-	15
Total internal ratings-based approach 31.12.2020	**151,550**	**26,091**	**16,164**	**18,514**	**14,697**	**13,382**	**10,939**	**10,015**	**33,622**
Total internal ratings-based approach 31.12.2019	**117,405**	**25,824**	**14,887**	**16,476**	**14,129**	**12,025**	**9,419**	**8,435**	**35,731**
Central governments or central banks	292	27	31	10	67	196	-	12	4
Regional governments or local authorities	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Institutions	4,791	3,369	398	34	41	123	5	73	75
Corporates	20,195	315	3	216	124	74	1	261	134
Retail	3	-	-	-	1	391	-	1	7
Secured by mortgages on immovable property	128	-	-	-	-	-	-	36	-
Exposures in default	239	4	-	-	-	12	-	33	-
Items associated with particularly high risk	241	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-	-	-
Investment firms	-	-	-	-	-	-	-	-	-
Units or shares in funds	16	-	-	-	-	-	-	-	-
Shares	188	-	-	-	-	6	64	-	49
Other items	2,168	58	10	64	452	65	-	43	181
Total standardised approach 31.12.2020	**28,261**	**3,774**	**443**	**324**	**685**	**868**	**71**	**459**	**450**
Total standardised approach 31.12.2019	**30,045**	**9,720**	**575**	**313**	**678**	**1,532**	**81**	**453**	**426**
TOTAL 31.12.2020	**179,811**	**29,864**	**16,607**	**18,838**	**15,382**	**14,249**	**11,010**	**10,475**	**34,071**
TOTAL 31.12.2019	**147,450**	**35,544**	**15,462**	**16,789**	**14,807**	**13,557**	**9,500**	**8,888**	**36,157**

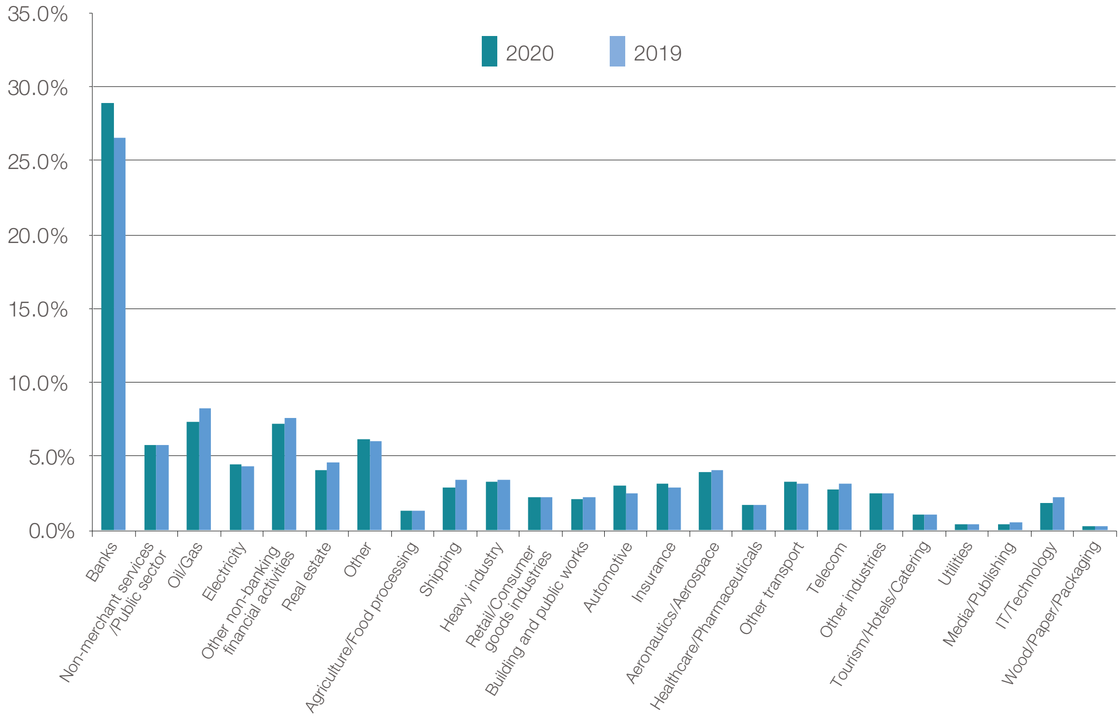
€ million	31.12.2020												
	ASIA AND OCEANIA							NORTH AMERICA		CENTRAL AND SOUTH AMERICA	AFRICA AND MIDDLE EAST		
	Japan	Singapore	South Korea	Hong Kong	China	Australia	Others	United States	Others	Others	Qatar	Others	TOTAL with Europe
Central governments or central banks	22,577	1,564	735	1,097	2,033	-	2,720	7,191	1,902	749	2,957	4,045	**97,445**
Institutions	2,216	345	886	1,191	3,481	262	1,816	2,319	365	150	1,791	2,091	**93,917**
Corporates	6,596	6,869	3,427	6,095	3,658	5,408	8,032	50,289	3,913	12,178	579	8,088	**273,838**
Retail	179	946	-	729	218	75	571	8	36	244	31	838	**13,121**
Equity	6	-	-	11	-	-	-	117	-	34	-	-	**311**
Total internal ratings-based approach 31.12.2020	**31,574**	**9,725**	**5,048**	**9,123**	**9,390**	**5,745**	**13,139**	**59,923**	**6,215**	**13,354**	**5,358**	**15,063**	**478,632**
Total internal ratings-based approach 31.12.2019	**44,412**	**9,197**	**4,315**	**8,937**	**5,564**	**4,820**	**16,184**	**60,846**	**5,945**	**14,610**	**4,897**	**16,117**	**445,949**
Central governments or central banks	87	6	18	3	2	5	36	221	2	112	-	41	**1,175**
Regional governments or local authorities	-	-	-	-	-	-	-	-	41	-	-	-	**41**
Public sector entities	-	-	1	-	-	-	-	-	-	-	-	-	**1**
Multilateral development banks	-	1	-	-	-	-	-	-	-	-	-	19	**20**
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Institutions	746	1	38	136	300	-	138	796	7	285	44	465	**11,864**
Corporates	20	503	256	634	1	36	2	676	610	999	-	74	**25,135**
Retail	-	-	-	-	-	-	-	3	76	350	-	4	**837**
Secured by mortgages on immovable property	-	-	-	-	-	-	-	1	-	-	-	-	**164**
Exposures in default	-	-	-	5	-	-	-	-	-	19	-	16	**329**
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	**241**
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Units or shares in funds	-	-	-	-	-	-	-	-	-	-	-	-	**16**
Shares	1	-	-	-	-	-	-	3	-	-	-	-	**310**
Other items	18	20	6	19	6	4	13	174	1	18	-	15	**3,335**
Total standardised approach 31.12.2020	**872**	**532**	**319**	**797**	**309**	**45**	**189**	**1,874**	**736**	**1,783**	**44**	**635**	**43,469**
Total standardised approach 31.12.2019	**1,176**	**511**	**491**	**1,078**	**113**	**57**	**496**	**2,133**	**674**	**1,575**	**12**	**806**	**52,947**
TOTAL 31.12.2020	**32,446**	**10,257**	**5,367**	**9,920**	**9,699**	**5,790**	**13,329**	**61,797**	**6,952**	**15,137**	**5,402**	**15,698**	**522,101**
TOTAL 31.12.2019	**45,588**	**9,709**	**4,806**	**10,014**	**5,677**	**4,877**	**16,681**	**62,980**	**6,618**	**16,185**	**4,909**	**16,924**	**503,121**

◆ 3.4.2.1.3 Exposure by business sector

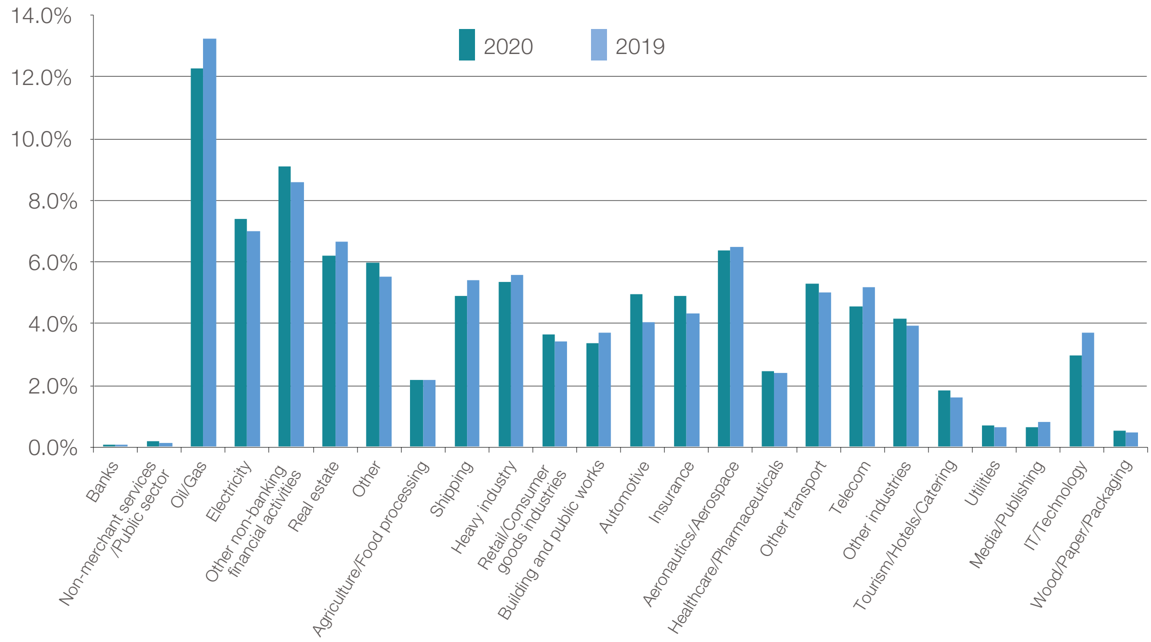
The total exposure of the Crédit Agricole CIB group is broken down per sector of activity excluding securitisation transactions and adjustments that are not directly attributable to a business sector.

At 31 December 2020, this amount was €458 billion (€442 billion at 31 December 2019 for the same scope).

▶ Breakdown of exposures by business sector - Overall scope



▶ Breakdown of exposures by business sector - Corporates portfolio



The Corporate portfolio also offers a satisfactory level of diversification: in this scope, none of the sectors represent more than 13% of total exposures at the end of 2020.

▶ Concentration of exposures by industry or counterparty types (CRB-D)

	31.12.2020											
€ million	Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Production and distribution	Construction	Wholesale trade	Retail trade	Transport and storage	Accommodation and food service activities	Information and communication	Education and Instruction-Training	Real estate activities
Central governments or central banks	-	-	-	-	202	-	-	138	-	-	1	21
Institutions	-	-	380	45	11	-	110	27	1	4	1	550
Corporates	358	20,786	69,543	24,726	7,436	17,705	5,967	31,656	3,843	16,761	148	14,727
Retail	-	12	8	3	4	14	5	2	7	6	-	1,259
Equity	-	34	-	-	-	-	-	11	-	17	-	13
Total internal ratings-based approach	**358**	**20,832**	**69,931**	**24,774**	**7,653**	**17,719**	**6,082**	**31,833**	**3,851**	**16,788**	**149**	**16,569**
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	1	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Corporates	195	72	715	41	84	384	9	44	113	20	-	6,997
Retail	-	-	11	-	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	126	-	-	38
Exposures in default	-	1	11	1	2	18	1	19	-	-	-	44
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	241
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
Investment firms	-	-	-	-	-	-	-	-	-	-	-	-
Units or shares in funds	-	-	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	46	-	-	-	20	-	-	-	74
Other items	-	-	-	-	-	-	-	-	-	-	-	-
Total standardised approach	**195**	**73**	**738**	**87**	**85**	**403**	**10**	**83**	**239**	**20**	**-**	**7,394**
Total	**553**	**20,905**	**70,670**	**24,861**	**7,738**	**18,122**	**6,091**	**31,916**	**4,090**	**16,808**	**149**	**23,963**

€ million	31.12.2020										
	Finance and insurance	Company Management financial participations	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence, compulsory social security	Human health services and social work activities	Other personal services outside public administration	Private individuals	Arts, entertainment and recreation	Other services	Total
Central governments or central banks	72,136	284	-	-	23,465	875	314	-	-	10	**97,445**
Institutions	89,168	107	-	71	2,878	51	3	-	11	500	**93,917**
Corporates	42,913	7,766	2,392	2,377	226	3,757	94	49	607	-	**273,838**
Retail	1,055	190	41	-	-	2	56	10,458	-	-	**13,122**
Equity	127	42	7	-	1	2	-	-	-	58	**311**
Total internal ratings-based approach	**205,399**	**8,389**	**2,440**	**2,449**	**26,570**	**4,686**	**468**	**10,506**	**618**	**568**	**478,632**
Central governments or central banks	413	-	-	-	158	-	-	-	-	604	**1,175**
Regional governments or local authorities	-	-	-	-	-	-	-	-	-	41	**41**
Public sector entities	1	-	-	-	-	-	-	-	-	-	**1**
Multilateral development banks	19	-	-	-	-	-	-	-	-	-	**20**
International organisations	-	-	-	-	-	-	-	-	-	-	**-**
Institutions	11,467	-	-	-	-	-	-	-	-	398	**11,865**
Corporates	15,473	104	113	7	-	58	-	54	167	484	**25,135**
Retail	22	-	-	-	-	-	-	803	-	-	**837**
Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	1	-	**164**
Exposures in default	2	2	-	-	-	-	-	-	-	229	**329**
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	**241**
Covered bonds	-	-	-	-	-	-	-	-	-	-	**-**
Investment firms	-	-	-	-	-	-	-	-	-	-	**-**
Units or shares in funds	-	-	-	-	-	-	-	-	-	16	**16**
Shares	7	-	-	-	-	-	-	-	-	164	**310**
Other items	-	-	-	-	-	-	-	-	-	3,335	**3,335**
Total standardised approach	**27,404**	**106**	**113**	**7**	**158**	**58**	**-**	**857**	**167**	**5,272**	**43,469**
Total	**232,803**	**8,495**	**2,553**	**2,455**	**26,728**	**4,745**	**468**	**11,363**	**785**	**5,840**	**522,101**

▶ Maturity of exposures (CRB-E)

€ million	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
	31.12.2020					
	Net exposure values					
1 Central governments or central banks	54,238	18,209	16,949	8,040	10	97,445
2 Institutions	3,537	64,867	11,050	13,962	500	93,917
3 Corporates	2,511	111,984	128,693	30,651	-	273,838
4 Retail	-	-	-	13,122	-	13,122
5 Equity	-	-	-	-	311	311
6 Total internal ratings-based approach	**60,286**	**195,060**	**156,692**	**65,774**	**821**	**478,632**
7 Central governments or central banks	389	217	18	1	550	1,175
8 Regional governments or local authorities	-	-	-	-	41	41
9 Public sector entities	-	-	-	-	-	1
10 Multilateral development banks	-	-	-	-	-	20
11 International organisations	-	-	-	-	-	-
12 Institutions	149	9,810	397	1,110	398	11,865
13 Corporates	99	17,636	5,619	613	1,168	25,135
14 Retail	299	473	63	2	-	837
15 Secured by mortgages on immovable property	-	8	60	95	-	164
16 Exposures in default	12	58	3	27	229	329
17 Items associated with particularly high risk	-	89	149	2	-	241
18 Covered bonds	-	-	-	-	-	-
19 Investment firms	-	-	-	-	-	-
20 Units or shares in funds	-	-	-	-	16	16
21 Shares	-	-	-	-	310	310
22 Other items	-	-	-	-	3,335	3,335
23 Total standardised approach	**948**	**28,313**	**6,309**	**1,851**	**6,047**	**43,469**
24 Total	**61,234**	**223,373**	**163,001**	**67,625**	**6,868**	**522,101**

3.4.2.1.4 Defaulted exposures and value adjustments

Credit quality of exposures by exposure class and instrument (CR1-A)

		31.12.2020			
		Gross carrying values of			
€ million		Defaulted exposures	Non-defaulted exposures	Provisions/ impairments	Net values
1	Central governments or central banks	51	97,422	28	97,445
2	Institutions	372	93,906	361	93,917
3	Corporates	4,887	271,946	2,995	273,838
4	of which: Specialised lending	1,898	59,880	632	61,146
5	of which: SMEs	66	843	19	890
6	Retail	65	13,074	18	13,122
7	Secured by mortgages on immovable property	-	-	-	-
8	SMEs	-	-	-	-
9	Non-SMEs	-	-	-	-
10	Qualifying revolving	-	-	-	-
11	Other retail	65	13,074	18	13,122
12	SMEs	3	114	-	117
13	Non-SMEs	63	12,960	18	13,005
14	Equity	-	311	-	311
15	**Sub-total IRB approach 31.12.2020**	**5,375**	**476,660**	**3,402**	**478,632**
	Sub-total IRB approach 31.12.2019	**4,723**	**448,423**	**2,972**	**450,175**
16	Central governments or central banks	-	1,175	-	1,175
17	Regional governments or local authorities	-	41	-	41
18	Public sector entities	-	1	-	1
19	Multilateral development banks	-	20	-	20
20	International organisations	-	-	-	-
21	Institutions	-	11,864	-	11,864
22	Corporates	-	25,160	25	25,135
23	of which: SMEs	-	202	1	202
24	Retail	-	837	-	837
25	of which: SMEs	-	-	-	-
26	Secured by mortgages on immovable property	-	164	-	164
27	of which: SMEs	-	2	-	2
28	Exposures in default	378	-	49	329
29	Items associated with particularly high risk	-	242	-	242
30	Covered bonds	-	-	-	-
31	Investment firms	-	-	-	-
32	Collective investment undertakings	-	16	-	16
33	Equity exposures	-	310	-	310
34	Other exposures	-	3,335	-	3,335
35	**Sub-total Standardised approach 31.12.2020**	**378**	**43,165**	**75**	**43,469**
	Sub-total Standardised approach 31.12.2019	**484**	**52,558**	**95**	**52,947**
36	**TOTAL 31.12.2020**	**5,753**	**519,825**	**3,477**	**522,101**
	TOTAL 31.12.2019	**5,207**	**500,981**	**3,067**	**503,121**

Exposures in default amounted to €5.8 billion as at 31 December 2020, up 10% compared to 31 December 2019. They represented 1.1% of the total gross exposures, compared to 1% at the end of 2019. The total amount of provisions/impairments rose by €0.4 billion compared to 31 December 2019.

▶ Credit quality of exposures by industry or counterparty types (CR1-B)

€ million		31.12.2020			
		Gross carrying values of			
		Defaulted exposures	Non-defaulted exposures	Provisions/ impairments	Net values
1	Agriculture, forestry and fishing	76	545	69	553
2	Mining and quarrying	736	20,372	203	20,905
3	Manufacturing	377	70,710	417	70,670
4	Production and distribution	69	24,861	70	24,861
5	Construction	263	7,660	185	7,738
6	Wholesale trade	297	18,039	214	18,122
7	Retail trade	325	5,836	70	6,091
8	Transport and storage	1,588	30,837	509	31,916
9	Accommodation and food service activities	187	4,092	189	4,090
10	Information and communication	19	16,852	63	16,808
11	Education and Instruction-Training	-	149	-	149
12	Real estate activities	357	23,783	178	23,963
13	Finance and insurance	924	232,483	604	232,803
14	Company Management financial participations	205	8,459	169	8,495
15	Professional, scientific and technical activities	-	2,562	9	2,553
16	Administrative and support service activities	76	2,425	46	2,455
17	Public administration and defence, compulsory social security	55	26,708	35	26,728
18	Human health services and social work activities	111	4,667	33	4,745
19	Other personal services outside public administration	-	468	-	468
20	Private individuals	65	11,298	-	11,363
21	Arts, entertainment and recreation	22	792	28	785
22	Other services	-	6,227	387	5,840
23	**TOTAL 31.12.2020**	**5,753**	**519,825**	**3,477**	**522,101**
	AT 31.12.2019	**5,207**	**500,981**	**3,067**	**503,121**

▶ Credit quality of exposures by geography (CR1-C)

		31.12.2020			
		Gross carrying values of			
€ million		Defaulted exposures	Non-defaulted exposures	Provisions/ impairments	Net values
1	**EUROPE**	**2,843**	**329,215**	**1,750**	**330,308**
2	France	889	179,643	721	179,811
3	United Kingdom	123	29,914	173	29,864
4	Luxembourg	48	18,899	109	18,838
5	Germany	183	16,622	198	16,607
6	Switzerland	93	15,326	37	15,382
7	Italy	396	13,986	132	14,249
8	Netherlands	577	10,535	102	11,010
9	Spain	206	10,353	84	10,475
10	Other (EUROPE)	329	33,936	193	34,072
11	**ASIA AND OCEANIA**	**696**	**86,404**	**292**	**86,808**
12	Japan	296	32,231	82	32,446
13	Singapore	148	10,204	94	10,257
14	Hong Kong	14	9,925	20	9,920
15	China	29	9,689	19	9,699
16	Australia	19	5,794	24	5,790
17	South Korea	-	5,369	2	5,367
18	Other (ASIA AND OCEANIA)	189	13,190	51	13,329
19	**NORTH AMERICA**	**315**	**68,843**	**410**	**68,748**
20	United States	274	61,879	356	61,797
21	Other (NORTH AMERICA)	41	6,965	54	6,952
22	**CENTRAL AND SOUTH AMERICA**	**1,161**	**14,491**	**515**	**15,137**
23	**AFRICA AND MIDDLE EAST**	**738**	**20,871**	**510**	**21,100**
24	Qatar	-	5,406	4	5,402
25	Other (AFRICA AND MIDDLE EAST)	738	15,466	506	15,698
26	**TOTAL 31.12.2020**	**5,753**	**519,825**	**3,477**	**522,101**
27	**TOTAL 31.12.2019**	**5,207**	**500,981**	**3,067**	**503,121**

▶ Ageing of past-due exposures (CR1-D)

		31.12.2020					
		Gross carrying values					
€ million		≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
1	Loans	568	330	5	396	399	145
2	Outstanding debt securities	577	313	-	-	-	-
3	Total exposures	1,145	643	5	396	399	145

		31.12.2019					
		Gross carrying values					
€ million		≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
1	Loans	719	299	7	303	71	362
2	Outstanding debt securities	914	348	-	-	-	-
3	Total exposures	1,633	647	7	303	71	362

The proportion of total exposures in default represented by exposures in default for 30 days or more was 65% at 31 December 2020 and 75% at 31 December 2019.

Non-performing and forborne exposures (CR1-E)

31.12.2020

€ million	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collateral and financial guarantees received	
		of which performing but past due > 30 days <= 60 days	of which performing forborne	of which non-performing				On performing exposures		On non-performing exposures		On non-performing exposures	of which forborne exposures
					of which defaulted	of which: impaired	of which: forborne		of which: forborne		of which: forborne		
Outstanding debt securities	37,381	314	-	29	29	25	-	(11)	-	(25)	-	-	-
Loans and advances	169,294	265	1,723	4,603	4,603	4,599	1,892	(762)	(115)	(2,312)	(776)	1,346	1,641
Off-balance sheet exposures	261,281	-	56	832	832	832	48	(281)	(2)	(141)	(31)	170	14

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€ million	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collateral and financial guarantees received	
		of which performing but past due > 30 days <= 60 days	of which performing forborne	of which non-performing				On performing exposures		On non-performing exposures		On non-performing exposures	of which forborne exposures
					of which defaulted	of which: impaired	of which: forborne		of which: forborne		of which: forborne		
Outstanding debt securities	36,640	358	12	86	80	80	-	(20)	-	(18)	-	-	-
Loans and advances	221,901	283	1,360	3,950	3,934	3,934	2,183	(450)	(64)	(2,191)	(888)	933	1,530
Off-balance sheet exposures	252,037	-	84	966	966	-	13	(227)	(9)	(216)	(7)	122	24

Information relating to non-performing and renegotiated exposures includes the gross carrying amount, related impairments, provisions and valuation adjustments associated thereto, as well as the value of collateral and financial guarantees received.

▶ Credit quality of forborne exposures (EU CQ1)

		31.12.2020							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received	
			Non-performing						Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
€ million		Performing		of which defaulted	of which impaired	Performing exposures	Non-performing exposures		
1	**Cash balances with central banks and other demand deposits**	-	-	-	-	-	-	-	-
2	Loans and advances	1,723	1,892	1,887	1,887	(115)	(776)	1,641	534
3	Central banks	-	-	-	-	-	-	-	-
4	Central governments	16	4	3	3	(1)	(3)	-	-
5	Credit institutions	-	45	45	45	-	(26)	-	-
6	Other financial companies	-	17	17	17	-	(16)	-	-
7	Non-financial companies	1,696	1,820	1,816	1,816	(114)	(732)	1,629	529
8	Households	11	6	6	6	-	-	11	5
9	**Debt securities**	-	-	-	-	-	-	-	-
10	**Loan commitments given**	**56**	**48**	**48**	**48**	**(2)**	**(31)**	**14**	**14**
11	**Total**	**1,779**	**1,940**	**1,935**	**1,935**	**(117)**	**(807)**	**1,655**	**548**

▶ Credit quality of forborne exposures (EU CQ1)

		31.12.2019							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received	
			Non-performing						Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
€ million		Performing		of which defaulted	of which impaired	Performing exposures	Non-performing exposures		
1	**Loans and advances**	**1,360**	**2,183**	**2,133**	**2,133**	**(64)**	**(888)**	**1,530**	**-**
2	Central banks	-	-	-	-	-	-	-	-
3	Central governments	19	4	3	3	(1)	(3)	-	-
4	Credit institutions	-	51	51	51	-	(26)	-	-
5	Other financial companies	-	18	18	18	-	(16)	-	-
6	Non-financial companies	1,341	2,094	2,058	2,058	(63)	(843)	1,515	-
7	Households	-	16	2	2	-	-	15	-
8	**Debt securities**	**12**	-	-	-	-	-	-	-
9	**Loan commitments given**	**84**	**13**	**13**	**13**	**(9)**	**(7)**	**24**	-
10	**Total**	**1,455**	**2,196**	**2,146**	**2,146**	**(73)**	**(895)**	**1,554**	-

▶ Credit quality of performing and non-performing exposures by past due days (EU CQ3)

	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 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	of which de-faulted
Cash balances with 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	-	-	-	-	-	-	-	-	-	-
Central governments	7,733	7,733	-	58	23	-	-	-	35	-	-	58
Credit institutions	23,643	23,643	-	389	98	-	-	-	2	272	18	389
Other financial companies	5,692	5,692	-	355	156	-	20	-	2	17	161	355
Non-financial companies	115,851	115,587	264	3,739	2,101	463	455	164	333	191	32	3,739
of which small and medium-sized enterprises	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	-	-	-	-	-	-	-	-	-	-
Central governments	17,395	17,395	-	-	-	-	-	-	-	-	-	-
Credit institutions	8,220	8,220	-	1	1	-	-	-	-	-	-	1
Other financial companies	6,208	5,894	-	-	-	-	-	-	-	-	-	-
Non-financial companies	3,052	3,052	-	28	6	-	-	-	-	-	22	28
Off-balance sheet exposures	**260,449**	**-**	**-**	**832**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**832**
Central banks	8,809	-	-	-	-	-	-	-	-	-	-	-
Central governments	11,015	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	40,117	-	-	2	-	-	-	-	-	-	-	2
Other financial companies	45,853	-	-	-	-	-	-	-	-	-	-	-
Non-financial companies	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**

	31.12.2019									
	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 ≤ 5 years	Past due > 5 years	of which defaulted
Loans and advances	**217,951**	**217,668**	**283**	**3,950**	**1,786**	**365**	**180**	**661**	**958**	**3,934**
Central banks	58,671	58,671	-	-	-	-	-	-	-	-
Central governments	8,637	8,637	-	105	36	-	-	47	23	105
Credit institutions	15,948	15,948	-	504	322	80	-	-	102	504
Other financial companies	5,354	5,354	-	383	22	-	-	-	360	383
Non-financial companies	117,362	117,079	283	2,834	1,365	283	161	575	449	2,834
of which small and medium-sized enterprises	-	-	-	-	-	-	-	-	-	-
Households	11,979	11,979	-	124	41	1	18	39	25	108
Debt securities	**36,554**	**36,196**	**358**	**86**	**83**	**-**	**-**	**-**	**3**	**80**
Central banks	2,032	2,032	-	-	-	-	-	-	-	-
Central governments	17,031	17,031	-	2	2	-	-	-	-	-
Credit institutions	7,354	7,354	-	1	-	-	-	-	1	1
Other financial companies	7,324	6,967	358	57	57	-	-	-	-	53
Non-financial companies	2,812	2,812	-	26	23	-	-	-	3	26
Off-balance sheet exposures	**251,071**	**-**	**-**	**966**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	7,499	-	-	-	-	-	-	-	-	-
Central governments	13,017	-	-	17	-	-	-	-	-	-
Credit institutions	33,168	-	-	19	-	-	-	-	-	-
Other financial companies	44,561	-	-	-	-	-	-	-	-	-
Non-financial companies	150,247	-	-	927	-	-	-	-	-	-
Households	2,579	-	-	3	-	-	-	-	-	-
TOTAL	**505,576**	**253,864**	**641**	**5,002**	**1,869**	**365**	**180**	**661**	**962**	**4,014**

Performing and non-performing exposures and related provisions (EU CR1)

€ million	31.12.2020														
	Gross carrying amount/nominal amount						Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral received 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					
		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		On performing exposures	On non-performing exposures
Cash balances with 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	-	-	-	-	-	-	-	-	-	-	-	-	-
Central 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 companies	5,692	5,603	89	355	-	355	(20)	(15)	(4)	(302)	-	(302)	-	2,714	-
Non-financial companies	115,851	99,301	16,550	3,739	-	3,734	(723)	(156)	(566)	(1,626)	-	(1,626)	-	54,707	1,346
of which small and medium-sized enterprises	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	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
Central governments	17,395	17,395	-	-	-	-	(6)	(6)	-	-	-	-	-	-	-
Credit institutions	8,220	8,218	-	1	-	1	(3)	(3)	-	(1)	-	(1)	-	-	-
Other financial companies	6,208	5,847	314	-	-	-	(1)	-	(1)	-	-	-	-	-	-
Non-financial companies	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	-	-	-	-	-	-	-	-	-	-	-	-	-
Central 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 companies	45,853	45,838	15	-	-	-	(3)	(3)	-	-	-	-	-	340	-
Non-financial companies	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**

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€ million	31.12.2019														
	Gross carrying amount/nominal amount						Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral received 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					
		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		On performing exposures	On non-performing exposures
Loans and advances	**217,951**	**207,566**	**10,075**	**3,950**	**-**	**3,934**	**(450)**	**(180)**	**(270)**	**(2,191)**	**-**	**(2,191)**	**-**	**-**	**933**
Central banks	58,671	58,671	-	-	-	-	(7)	(7)	-	-	-	-	-	-	-
Central governments	8,637	8,510	127	105	-	105	(7)	(6)	(1)	(28)	-	(28)	-	-	77
Credit institutions	15,948	15,937	11	504	-	504	(7)	(7)	-	(391)	-	(391)	-	-	-
Other financial companies	5,354	5,342	13	383	-	383	(12)	(11)	-	(335)	-	(335)	-	-	-
Non-financial companies	117,362	107,169	9,883	2,834	-	2,834	(414)	(146)	(268)	(1,424)	-	(1,424)	-	-	856
of which small and medium-sized enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	11,979	11,937	42	124	-	108	(3)	(2)	(1)	(14)	-	(14)	-	-	-
Debt securities	**36,554**	**36,153**	**358**	**86**	-	**80**	**(20)**	**(11)**	**(10)**	**(18)**	-	**(18)**	-	-	-
Central banks	2,032	2,032	-	-	-	-	-	-	-	-	-	-	-	-	-
Central governments	17,031	17,031	-	2	-	-	(6)	(6)	-	-	-	-	-	-	-
Credit institutions	7,354	7,351	-	1	-	1	(3)	(3)	-	(1)	-	(1)	-	-	-
Other financial companies	7,324	6,943	358	57	-	53	(11)	(2)	(10)	-	-	-	-	-	-
Non-financial companies	2,812	2,797	-	26	-	26	-	-	-	(17)	-	(17)	-	-	-
Off-balance sheet exposures	**251,071**	**244,534**	**6,503**	**966**	-	**966**	**(227)**	**(101)**	**(126)**	**(216)**	-	**(216)**	-	-	**122**
Central banks	7,499	7,499	-	-	-	-	-	-	-	-	-	-	-	-	-
Central governments	13,017	12,774	243	17	-	17	(1)	(1)	(1)	-	-	-	-	-	9
Credit institutions	33,168	33,110	24	19	-	19	(2)	(2)	-	(1)	-	(1)	-	-	-
Other financial companies	44,561	44,560	-	-	-	-	(3)	(3)	-	-	-	-	-	-	-
Non-financial companies	150,247	144,014	6,233	927	-	927	(219)	(95)	(124)	(214)	-	(214)	-	-	113
Households	2,579	2,577	3	3	-	3	(1)	(1)	(1)	-	-	-	-	-	-
TOTAL	**505,576**	**488,253**	**16,936**	**5,002**	-	**4,980**	**(697)**	**(292)**	**(405)**	**(2,425)**	-	**(2,425)**	-	-	**1,054**

Collateral obtained by taking possession and execution processes (EU-CQ7)

€ million	Collateral obtained by taking possession 31.12.2020	
	Value at initial recognition	Accumulated negative changes
1 Property, plant and equipment	**3**	**-**
2 Collateral other than property, plant and equipment	**-**	**-**
3 Residential immovable property	-	-
4 Commercial immovable property	-	-
5 Movable property (auto, shipping, etc.)	-	-
6 Equity and debt instruments	-	-
7 Other collateral	-	-
8 Total	**3**	**-**

Changes in the stock of non-performing loans and advances and related net accumulated recoveries (CR2-A)

	€ million	31.12.2020	31.12.2019
		Accumulated specific credit risk adjustment	
1	**Opening balance**	**2,656**	**2,780**
2	Increases due to origination and acquisition	1,252	296
3	Decreases due to derecognition	(1,029)	(515)
4	Changes due to change in credit risk (net)	802	345
5	Changes due to modifications without derecognition (net)	(6)	-
6	Changes due to update in the institution's methodology for estimation (net)	-	-
7	Decrease in allowance account due to write-offs	(375)	(255)
8	Other adjustments	(189)	6
9	**Closing balance** [1]	**3,111**	**2,656**
10	Recoveries of previously written-off amounts recorded directly to the income statement	(140)	(108)
11	Amounts written-off directly to the income statement	28	46

[1] The differences in total provisions between CR2-A, CR1-A and CR1-C tables are mainly due to divergences in scope. Impairment of fixed assets and equity investments and provisions for guarantee commitments given are only included in the CR1-A and CR1-C.

Changes in the stock of defaulted and impaired loans and debt securities (CR2-B)

	€ million	31.12.2020	31.12.2019
		Gross carrying value of defaulted exposures	
1	**Opening balance**	**4,014**	**3,748**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	1,921	933
3	Return to non-defaulted status	(101)	(48)
4	Amounts written off	(762)	(431)
5	Other changes	(424)	(187)
6	**Closing balance**	**4,648**	**4,014**

3.4.2.2 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 2020 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 professional's portfolio.

CA Indosuez Wealth Management is subject to standard calculation methodology in respect of its operational risk only.

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 STANDARD 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 17 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 at 31 December 2020 (CR4)

		31.12.2020					
		Asset classes					
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
€ million		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central government and central banks	1,141	34	1,148	17	991	85.03%
2	Regional governments 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 a mortgage on immovable property	164	-	164	-	82	49.86%
10	Equities	325	4	101	1	150	147.25%
11	Exposure in default	94	147	93	71	247	150.00%
12	Higher-risk categories	-	-	-	-	-	-
13	Covered bonds	-	-	-	-	-	-
14	Investment firms	16	-	16	-	1	6.66%
15	Collective investment undertakings	310	-	310	-	311	100.35%
16	Other assets	3,335	-	3,335	-	3,132	93.91%
17	**TOTAL**	**29,540**	**7,532**	**29,539**	**2,979**	**11,085**	**34.09%**

▶ Standardised approach - Credit risk exposure and credit risk mitigation (CRM) effects at 31 December 2019 (CR4)

		31.12.2019					
		Asset classes					
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
€ million		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central government and central banks	1,044	47	1,044	23	972	91.10%
2	Regional governments or local authorities	-	45	-	22	-	-
3	Public sector entities	-	1	-	-	-	-
4	Multilateral development banks	21	-	21	-	21	100.00%
5	International organisations	-	-	-	-	-	-
6	Institutions	5,000	681	22,060	583	635	2.80%
7	Corporates	20,545	6,769	3,782	2,447	5,718	91.80%
8	Retail	799	117	798	50	636	75.00%
9	Secured by a mortgage on immovable property	188	-	188	-	94	50.00%
10	Equities	324	-	324	-	326	100.62%
11	Exposure in default	385	4	84	1	123	144.71%
12	Higher-risk categories	195	130	195	64	389	150.19%
13	Covered bonds	-	-	-	-	-	-
14	Investment firms	-	-	-	-	-	-
15	Collective investment undertakings	18	-	18	-	2	11.11%
16	Other assets	3,842	-	3,842	-	3,555	92.53%
17	**TOTAL**	**32,362**	**7,794**	**32,356**	**3,191**	**12,472**	**35.09%**

▶ Standardised approach - Exposures by asset classes and risk weights at 31 December 2020 (CR5)

€ million		31.12.2020																	
		Risk weighting																	
	Asset classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted	Total exposure to credit risk	of which unrated
1	Central governments and central banks	750	-	-	-	-	-	-	-	-	29	3	-	-	-	-	383	1,165	1,165
2	Regional governments or local authorities	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20	20
3	Public sector entities	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	19	-	-	-	-	-	-	19	19
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	18,886	933	-	-	607	-	75	-	-	337	22	-	-	-	-	-	20,860	20,627
7	Corporates	-	-	-	-	223		905			4,265	175	-	-	-	-	-	5,568	3,680
8	Retail	-	-	-	-	-	-	-	-	789	-	-	-	-	-	-	-	790	789
9	Secured by a mortgage on immovable property	-	-	-	-	-	-	164	-	-	-	-	-	-	-	-	-	164	164
10	Shares	-	-	-	-	-	-	-	-	-	6	96	-	-	-	-	-	102	102
11	Exposure in default	-	-	-	-	-	-	-	-	-	-	164	-	-	-	-	-	164	164
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Investment firms	9	-	-	4	3	-	-	-	-	-	-	-	-	-	-	-	16	16
15	Collective investment undertakings	-	-	-	-	-	-	-	-	-	310	-	1	-	-	-	-	310	310
16	Other assets	179	-	-	-	30	-	-	-	-	3,126	-	-	-	-	-	-	3,335	3,335
17	**TOTAL**	**19,849**	**933**	**-**	**4**	**863**	**-**	**1,144**	**-**	**789**	**8,092**	**461**	**1**	**-**	**-**	**-**	**383**	**31,518**	**30,398**

▶ Standardised approach - Exposures by asset classes and risk weights at 31 December 2019 (CR5)

€ million		31.12.2019																	
		Risk weighting																	
	Asset classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted	Total exposure to credit risk	of which unrated
1	Central governments and central banks	647	-	-	-	-	-	1	-	-	45	8	-	-	-	-	366	1,067	1,067
2	Regional governments or local authorities	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22	22
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	21	-	-	-	-	-	-	21	21
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	20,593	1,002	-	-	558	-	20	-	-	423	47	-	-	-	-	-	22,643	22,491
7	Corporates	-	-	-	-	144	-	811	-	-	5,251	22	-	-	-	-	-	6,228	4,758
8	Retail	-	-	-	-	-	-	-	-	848	-	-	-	-	-	-	-	848	848
9	Secured by a mortgage on immovable property	-	-	-	-	-	-	188	-	-	-	-	-	-	-	-	-	188	188
10	Shares	-	-	-	-	-	-	-	-	-	324	-	1	-	-	-	-	324	324
11	Exposure in default	-	-	-	-	-	-	-	-	-	9	76	-	-	-	-	-	85	85
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-	259	-	-	-	-	-	259	259
13	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Collective investment undertakings	9	-	-	4	4	-	1	-	-	-	-	-	-	-	-	-	18	18
16	Other assets	160	-	-	-	158	-	-	-	-	3,524	-	-	-	-	-	-	3,842	3,842
17	**TOTAL**	**21,431**	**1,002**	**-**	**4**	**864**	**-**	**1,022**		**848**	**9,596**	**412**	**1**	**-**	**-**	**-**	**366**	**35,547**	**33,924**

Quality of exposures 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 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 very small businesses and self-employed professionals;
- 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 RISK EXPOSURES BY PORTFOLIO AND PD RANGE AT 31 DECEMBER 2020 (CR6)

▶ Following prudential portfolios for advanced internal ratings-based approach

€ million	2020											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	Expected loss	Provisions
Central governments and central banks												
0.00 to < 0.15	80,838	2,831	65.04%	94,308	-	-	5.46%	595	370	0.39%	-	-
0.15 to < 0.25	1,184	10	53.12%	1,800	0.16%	-	9.98%	749	144	8.00%	8	-
0.25 to < 0.50	202	-	-	202	0.30%	-	10.00%	926	27	13.26%	-	-
0.50 to < 0.75	733	232	75.00%	459	0.60%	-	10.00%	647	70	15.27%	-	-
0.75 to < 2.50	575	541	74.18%	143	1.33%	-	45.00%	680	137	95.33%	1	-
2.50 to < 10.00	759	272	75.00%	52	5.00%	-	58.78%	1,296	120	228.47%	2	-
10.00 to < 100.00	199	203	75.42%	28	15.09%	-	79.88%	1,212	120	425.44%	3	-
100.00 (default)	51	-	-	23	100.00%	-	45.00%	1,395	-	-	14	-
Sub-total	**84,540**	**4,089**	**64.80%**	**97,016**	**0.04%**	**-**	**5.69%**	**600**	**988**	**1.02%**	**28**	**28**
Institutions												
0.00 to < 0.15	48,605	3,315	92.18%	57,833	0.03%	-	5.89%	519	1,103	1.91%	1	-
0.15 to < 0.25	862	852	54.31%	821	0.16%	-	34.04%	775	255	31.10%	1	-
0.25 to < 0.50	772	920	25.65%	964	0.30%	-	41.94%	439	465	48.25%	1	-
0.50 to < 0.75	71	666	32.26%	268	0.60%	-	47.37%	521	164	61.33%	1	-
0.75 to < 2.50	288	767	41.56%	458	1.31%	-	32.85%	719	389	84.92%	2	-
2.50 to < 10.00	-	83	24.03%	20	5.00%	-	83.92%	278	59	300.45%	1	-
10.00 to < 100.00	-	18	33.40%	4	12.79%	-	76.51%	407	18	421.79%	-	-
100.00 (default)	200	168	99.29%	367	100.00%	-	45.01%	1,589	-	-	356	-
Sub-total	**50,798**	**6,790**	**77.88%**	**60,735**	**0.66%**	**-**	**7.50%**	**529**	**2,454**	**4.04%**	**363**	**361**
Corporates - Other												
0.00 to < 0.15	25,698	55,345	58.46%	56,333	0.05%	-	34.13%	684	7,523	13.35%	8	-
0.15 to < 0.25	10,535	18,867	45.39%	17,318	0.16%	-	45.42%	791	5,689	32.85%	11	-
0.25 to < 0.50	8,761	17,078	46.75%	14,195	0.30%	-	45.13%	739	6,440	45.37%	16	-
0.50 to < 0.75	8,949	10,371	56.23%	10,450	0.60%	-	43.51%	706	6,215	59.47%	21	-
0.75 to < 2.50	12,357	11,762	57.56%	12,140	1.13%	-	49.08%	911	10,905	89.83%	53	-
2.50 to < 10.00	1,757	938	68.29%	1,143	5.00%	-	32.71%	792	1,185	103.62%	17	-
10.00 to < 100.00	1,709	1,626	37.10%	1,351	14.17%	-	43.18%	825	2,138	158.23%	55	-
100.00 (default)	2,115	750	39.29%	2,291	100.00%	-	45.36%	892	156	6.82%	1,679	-
Sub-total	**71,882**	**116,737**	**54.20%**	**115,221**	**2.46%**	**-**	**39.92%**	**740**	**40,249**	**34.93%**	**1,860**	**2,345**
Corporates - SMEs												
0.00 to < 0.15	38	55	20.08%	41	0.05%	-	47.30%	1,116	9	21.23%	-	-
0.15 to < 0.25	6	2	75.00%	7	0.18%	-	31.50%	738	1	17.27%	-	-
0.25 to < 0.50	23	6	49.03%	17	0.30%	-	43.75%	437	4	25.09%	-	-
0.50 to < 0.75	19	4	45.64%	9	0.60%	-	42.95%	1,013	4	44.72%	-	-
0.75 to < 2.50	126	407	30.40%	195	1.48%	-	36.70%	817	111	56.92%	1	-
2.50 to < 10.00	9	8	45.41%	4	5.00%	-	41.58%	1,431	3	82.93%	-	-
10.00 to < 100.00	19	10	39.13%	18	16.31%	-	23.06%	715	14	78.17%	1	-
100.00 (default)	38	28	74.88%	59	100.00%	-	45.00%	820	33	55.50%	16	-
Sub-total	**279**	**519**	**33.98%**	**350**	**18.70%**	**-**	**39.08%**	**839**	**179**	**51.20%**	**18**	**19**
Corporates - Specialised lending												
0.00 to < 0.15	1,932	991	55.50%	8,933	0.03%	-	7.99%	1,392	393	4.39%	-	-
0.15 to < 0.25	5,579	2,127	52.68%	8,741	0.16%	-	12.80%	1,356	1,008	11.53%	2	-
0.25 to < 0.50	8,573	2,524	51.15%	9,093	0.30%	-	12.79%	1,335	1,718	18.89%	3	-
0.50 to < 0.75	9,483	2,102	42.25%	9,170	0.60%	-	13.15%	1,122	2,055	22.41%	7	-
0.75 to < 2.50	14,384	4,784	50.06%	11,563	1.11%	-	15.42%	1,255	4,107	35.52%	19	-
2.50 to < 10.00	1,157	114	73.93%	1,038	5.00%	-	13.36%	1,302	549	52.88%	7	-
10.00 to < 100.00	1,624	326	73.20%	1,258	13.80%	-	14.68%	1,135	923	73.40%	25	-
100.00 (default)	1,788	79	96.73%	1,427	100.00%	-	31.94%	981	130	9.14%	306	-
Sub-total	**44,519**	**13,046**	**51.38%**	**51,223**	**3.67%**	**-**	**13.21%**	**1,277**	**10,883**	**21.25%**	**370**	**632**
Other loans to individuals												
0.00 to < 0.15	9,892	-	-	9,892	0.09%	-	5.88%	365	132	1.34%	1	-
0.15 to < 0.25	2,216	-	-	2,216	0.21%	-	20.62%	365	193	8.71%	1	-

€ million	2020											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	Expected loss	Provisions
0.25 to < 0.50	697	-	-	697	0.60%	-	29.06%	365	168	24.09%	1	-
0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to < 2.50	77	-	-	77	1.60%	-	13.98%	365	14	17.81%	-	-
2.50 to < 10.00	78	-	-	78	10.48%	-	47.56%	365	71	89.96%	4	-
10.00 to < 100.00	-	-	-	-	20.03%	-	52.96%	987	-	125.16%	-	-
100.00 (default)	63	-	-	63	100.00%	-	59.26%	366	1	1.08%	15	-
Sub-total	**13,023**	**-**	**-**	**13,023**	**0.63%**	**-**	**9.96%**	**365**	**578**	**4.44%**	**22**	**18**
Other loans to small and medium-sized entities												
0.00 to < 0.15	97	-	-	97	0.09%	-	6.48%	365	1	1.27%	-	-
0.15 to < 0.25	6	-	-	6	0.21%	-	7.49%	365	-	3.30%	-	-
0.25 to < 0.50	9	-	-	9	0.60%	-	14.18%	365	1	12.09%	-	-
0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to < 2.50	2	-	-	2	1.60%	-	86.74%	365	2	111.42%	-	-
2.50 to < 10.00	1	-	-	1	12.87%	-	55.91%	365	1	108,23%	-	-
10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (default)	3	-	-	3	100.00%	-	75.00%	365	-	-	-	-
Sub-total	**117**	**-**	**-**	**117**	**2.37%**	**-**	**9.77%**	**365**	**5**	**4.66%**	**-**	**-**
Total	**265,158**	**141,181**	**56.51%**	**337,684**	**1.57%**	**-**	**19.04%**	**729**	**55,337**	**16.39%**	**2,662**	**3,402**

5

EXPOSURE TO CREDIT RISK BY PORTFOLIO AND RANGE OF PROBABILITY OF DEFAULT (PD) AT 31 DECEMBER 2019 (CR6)

▶ Following prudential portfolios for advanced internal ratings-based approach

€ million	2019											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	Expected loss	Provisions
Central governments and central banks												
0.00 to < 0.15	85,427	2,155	63.23%	97,940	-	-	1.56%	580	289	0.30%	-	-
0.15 to < 0.25	1,110	10	64.96%	1,789	0.16%	-	9.91%	829	155	8.64%	-	-
0.25 to < 0.50	17	-	0.00%	17	0.30%	-	10.00%	651	3	14.94%	-	-
0.50 to < 0.75	678	213	75.00%	425	0.60%	-	10.00%	602	64	15.14%	-	-
0.75 to < 2.50	609	595	75.02%	86	0.95%	-	45.71%	760	84	97.64%	-	-
2.50 to < 10.00	726	99	71.63%	52	5.00%	-	59.60%	1,295	118	228.29%	2	-
10.00 to < 100.00	122	214	75.63%	28	16.13%	-	78.70%	1,299	131	458.57%	4	-
100.00 (default)	100	17	75.00%	27	100.00%	-	45.00%	1,481	3	10.46%	15	-
Sub-total	**88,789**	**3,304**	**63.63%**	**100,364**	**0.05%**	-	**1.85%**	**586**	**846**	**0.84%**	**22**	**29**
Institutions												
0.00 to < 0.15	36,439	3,238	87.68%	44,402	0.03%	-	7.64%	634	970	2.18%	1	-
0.15 to < 0.25	2,058	466	52.83%	764	0.16%	-	36.58%	761	278	36.38%	1	-
0.25 to < 0.50	598	963	38.76%	924	0.30%	-	38.28%	551	346	37.46%	1	-
0.50 to < 0.75	228	1,048	26.31%	493	0.60%	-	47.10%	505	310	62.92%	1	-
0.75 to < 2.50	285	680	45.53%	408	1.05%	-	31.07%	820	311	76.17%	2	-
2.50 to < 10.00	-	123	22.20%	27	5.00%	-	82.81%	297	82	303.12%	1	-
10.00 to < 100.00	-	23	31.28%	6	12.41%	-	70.17%	468	26	410.73%	1	-
100.00 (default)	401	20	20.20%	405	100.00%	-	45.01%	595	12	3.02%	386	-
Sub-total	**40,010**	**6,561**	**75.14%**	**47,430**	**0.91%**	-	**9.69%**	**634**	**2,336**	**4.93%**	**393**	**397**
Corporates - Other												
0.00 to < 0.15	24,489	53,991	53.64%	52,955	0.04%	-	34.89%	757	7,289	13.76%	8	-
0.15 to < 0.25	11,849	19,098	46.28%	17,752	0.16%	-	43.10%	822	5,938	33.45%	11	-
0.25 to < 0.50	10,192	17,412	48.85%	14,479	0.30%	-	45.94%	871	7,072	48.84%	16	-
0.50 to < 0.75	7,643	9,320	57.56%	9,164	0.60%	-	46.29%	823	6,450	70.38%	20	-
0.75 to < 2.50	9,717	11,398	55.75%	10,092	1.11%	-	47.62%	927	8,475	83.97%	40	-
2.50 to < 10.00	605	440	46.06%	249	5.00%	-	52.83%	1,081	414	166.12%	5	-
10.00 to < 100.00	1,055	1,654	33.76%	850	15.54%	-	35.93%	654	1,390	163.44%	40	-
100.00 (default)	1,882	898	31.27%	1,986	100.00%	-	45.39%	899	292	14.68%	1,507	-
Sub-total	**67,432**	**114,209**	**51.82%**	**107,528**	**2.23%**	-	**40.15%**	**807**	**37,318**	**34.71%**	**1,647**	**1,950**
Corporates - SMEs												
0.00 to < 0.15	44	1	72.93%	45	0.06%	-	45.81%	1,037	11	25.57%	-	-
0.15 to < 0.25	29	-	0.00%	32	0.16%	-	49.98%	1,338	19	59.98%	-	-
0.25 to < 0.50	7	3	46.94%	9	0.30%	-	49.86%	622	4	47.45%	-	-
0.50 to < 0.75	6	345	20.38%	44	0.60%	-	51.08%	432	32	71.14%	-	-
0.75 to < 2.50	126	94	52.89%	151	1.53%	-	32.86%	907	96	63.87%	1	-
2.50 to < 10.00	16	3	59.65%	10	5.00%	-	44.42%	693	13	131.32%	-	-
10.00 to < 100.00	21	2	83.76%	22	17.76%	-	36.98%	584	37	168.16%	1	-
100.00 (default)	2	-	36.28%	2	100.00%	-	45.00%	433	-	0.00%	4	-
Sub-total	**252**	**448**	**30.63%**	**315**	**2.93%**	-	**40.20%**	**861**	**213**	**67.62%**	**7**	**6**
Corporates - Specialised lending												
0.00 to < 0.15	2,097	1,511	55.65%	10,424	0.03%	-	7.31%	1,327	409	3.93%	-	-
0.15 to < 0.25	8,127	2,003	63.82%	10,619	0.16%	-	10.23%	1,312	1,192	11.23%	2	-
0.25 to < 0.50	10,783	4,208	59.55%	11,405	0.30%	-	11.11%	1,268	1,866	16.36%	4	-
0.50 to < 0.75	10,011	2,757	51.42%	9,486	0.60%	-	12.01%	1,171	2,132	22.47%	7	-
0.75 to < 2.50	11,548	4,905	49.81%	10,201	1.10%	-	13.45%	1,242	3,328	32.63%	15	-
2.50 to < 10.00	1,030	67	48.95%	865	5.00%	-	14.22%	1,241	444	51.34%	6	-

€ million	2019											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	Expected loss	Provisions
10.00 to < 100.00	1,569	40	73.00%	907	13.94%	-	13.16%	1,059	608	67.04%	18	-
100.00 (default)	1,170	26	79.17%	1,142	100.00%	-	40.58%	1,068	23	2.00%	395	-
Sub-total	**46,335**	**15,517**	**56.16%**	**55,049**	**2.79%**	**-**	**11.50%**	**1,258**	**10,002**	**18.17%**	**447**	**571**
Other loans to individuals												
0.00 to < 0.15	10,554	-	-	10,554	0.09%	-	6.58%	365	156	1.48%	1	-
0.15 to < 0.25	1,891	-	-	1,894	0.21%	-	21.78%	367	171	9.04%	1	-
0.25 to < 0.50	495	-	-	495	0.60%	-	36.71%	365	151	30.55%	1	-
0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to < 2.50	41		72.83%	41	1.60%	-	15.87%	365	7	16.39%	-	-
2.50 to < 10.00	62	-	-	62	10.34%	-	30.34%	365	22	35.51%	2	-
10.00 to < 100.00	-	-	-		19.97%	-	50.99%	365	-	120.44%	-	-
100.00 (default)	102	-	-	102	100.00%	-	32.73%	587	6	5.54%	15	-
Sub-total	**13,145**	**-**	**72.83%**	**13,148**	**0.91%**	**-**	**10.15%**	**367**	**513**	**3.90%**	**20**	**18**
Other loans to small and medium-sized entities												
0.00 to < 0.15	89	-	-	89	0.09%	-	9.57%	365	2	1.87%	-	-
0.15 to < 0.25	14	-	-	14	0.21%	-	30.01%	365	2	13.08%	-	-
0.25 to < 0.50	4	-	-	4	0.60%	-	25.57%	365	1	21.57%	-	-
0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to < 2.50	1	-	-	1	1.60%	-	7.91%	365	-	10.15%	-	-
2.50 to < 10.00	2	-	-	2	12.79%	-	72.95%	365	2	140.63%	-	-
10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (default)	14	-	-	14	100.00%	-	74.81%	365	-	0.04%	-	-
Sub-total	**122**	**-**	**-**	**122**	**11.47%**	**-**	**19.73%**	**365**	**7**	**5.46%**	**-**	**-**
Total	**256,085**	**140,039**	**55.02%**	**323,956**	**1.40%**	**-**	**17.73%**	**772**	**51,235**	**15.82%**	**2,536**	**2,972**

PD and average LGD by exposure category and geographic area at 31 December 2020

Exposure class	Geographic risk area	31.12.2020 IRBA method PD	31.12.2020 IRBA method LGD
Central government and central banks	AFRICA AND MIDDLE EAST	0.55%	20.00%
	NORTH AMERICA	0.01%	2.50%
	ASIA AND OCEANIA EXCL. JAPAN	0.30%	20.00%
	OTHER	4.18%	38.75%
	EASTERN EUROPE	0.16%	10.00%
	WESTERN EUROPE EXCL. ITALY	1.83%	35.83%
	FRANCE (INCL. DOM & TOM)	3.23%	35.83%
	ITALY	0.11%	7.50%
	JAPAN	0.42%	25.00%
Institutions	AFRICA AND MIDDLE EAST	1.17%	30.00%
	NORTH AMERICA	0.63%	22.86%
	ASIA AND OCEANIA EXCL. JAPAN	2.78%	30.00%
	OTHER	3.82%	38.50%
	EASTERN EUROPE	0.65%	34.17%
	WESTERN EUROPE EXCL. ITALY	3.82%	38.33%
	FRANCE (INCL. DOM & TOM)	3.82%	38.33%
	ITALY	0.99%	30.00%
	JAPAN	1.12%	30.00%
Corporates	AFRICA AND MIDDLE EAST	3.98%	39.25%
	NORTH AMERICA	3.24%	16.70%
	ASIA AND OCEANIA EXCL. JAPAN	2.31%	16.42%
	OTHER	3.04%	25.25%
	EASTERN EUROPE	0.52%	45.00%
	WESTERN EUROPE EXCL. ITALY	2.67%	20.50%
	FRANCE (INCL. DOM & TOM)	2.27%	17.64%
	ITALY	3.82%	16.98%
	JAPAN	3.51%	17.24%
Retail	OTHER	1.76%	43.20%
	WESTERN EUROPE EXCL. ITALY	3.29%	44.83%
	FRANCE (INCL. DOM & TOM)	1.89%	43.20%
	ITALY	20.00%	53.00%

Credit derivatives used for hedging at 31 December 2020

Effect on RWA of credit derivatives (CR7)

€ million	31.12.2020 Pre-credit derivatives RWA	31.12.2020 Actual RWA
Exposures under Foundation IRB	-	-
Central government and central banks	-	-
Banks	-	-
Corporates - SMEs	-	-
Corporates - Specialised lending	-	-
Corporates - Other	-	-
Exposures under Advanced IRB	-	-
Central government and central banks	-	-
Banks	-	-
Corporates - SMEs	4,837	2,453
Corporates - Specialised lending	-	-
Corporates - Other	-	-
Retail - SME residential mortgage exposures	-	-
Retail - non-SME residential mortgage exposure	-	-
Retail - qualifying revolving	-	-
Retail - SME	-	-
Other retail exposures	-	-
Equities - IRB approach	-	-
Other assets	-	-
TOTAL	**4,837**	**2,453**

Change in RWA between 31 December 2019 and 31 December 2020

RWA flow statements of credit risk exposures under IRB (CR8)

€ million	31.12.2020 RWA	31.12.2020 Minimal capital requirements
RWA as at end of previous reporting period (31.12.2019) [1]	**59,135**	**4,731**
Asset size	(237)	(19)
Asset quality	4,747	380
Model updates	1,800	144
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	(2,868)	(229)
Other	660	53
RWA as at end of reporting period (31.12.2020)	**55,353**	**4,429**

[1] Analysis scope of RWA variation now includes exposures related to credit derivatives and structured securities..

Results of backtesting for 2020

The backtesting system is described in the “Risk Management” section on page 153.

These ex-post controls are performed through the cycle on historical data covering as long a period as possible. The following tables show the backtesting results for 2020 for the probability of default (PD) and loss given default (LGD) models.

Backtesting of probability of default (PD) per portfolio (CR9) at 31 December 2020

Portfolio	PD range (%)	Weighted average PD	Arithmetic average PD by obligor	Number of obligors		Defaulted obligors in the year	Average historical annual default rate
				End of previous year	End of the year		
Sovereigns							
	0 to < 0.15	-	0.01%	98	95	-	-
	0.15 to < 0.25	0.16%	0.16%	13	26	-	-
	0.25 to < 0.50	0.30%	0.30%	3	1	-	-
	0.50 to < 0.75	0.60%	0.60%	10	8	-	-
	0.75 to < 2.50	1.06%	1.35%	8	8	-	-
	2.50 to < 10.00	5.00%	5.00%	8	7	-	3.33%
	10.00 to < 100	16.13%	14.40%	10	10	2	5.67%
	Total	**0.12%**	**1.29%**	**150**	**155**	**2**	**0.55%**
Local authorities							
	0 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	0.16%	0.16%	-	-	-	-
	0.25 to < 0.50	0.30%	0.30%	-	-	-	-
	0.50 to < 0.75	0.60%	0.60%	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	5.00%	5.00%	-	-	-	-
	10.00 to < 100	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**
Financial institutions							
	0 to < 0.15	0.02%	0.02%	1,930	1,931	-	-
	0.15 to < 0.25	0.16%	0.16%	689	795	-	-
	0.25 to < 0.50	0.30%	0.30%	681	559	-	-
	0.50 to < 0.75	0.60%	0.60%	525	413	-	-
	0.75 to < 2.50	0.97%	1.03%	203	209	1	0.20%
	2.50 to < 10.00	5.00%	5.00%	34	28	-	-
	10.00 to < 100	12.00%	12.00%	11	13	-	-
	Total	**0.28%**	**0.28%**	**4,073**	**3,948**	**1**	**0.01%**
Corporates							
	0 to < 0.15	0.04%	0.04%	745	727	-	0.05%
	0.15 to < 0.25	0.16%	0.16%	458	459	-	-
	0.25 to < 0.50	0.30%	0.30%	607	642	1	0.29%
	0.50 to < 0.75	0.60%	0.60%	511	541	-	0.45%
	0.75 to < 2.50	1.20%	1.24%	1,050	1,035	24	1.56%
	2.50 to < 10.00	5.00%	5.00%	79	74	3	4.99%
	10.00 to < 100	14.72%	15.72%	85	99	9	7.90%
	Total	**0.59%**	**1.07%**	**3,535**	**3,577**	**37**	**1.01%**
Specialised lending							
	0 to < 0.15	0.06%	0.06%	58	50	-	-
	0.15 to < 0.25	0.16%	0.16%	296	251	-	-
	0.25 to < 0.50	0.30%	0.30%	459	461	-	0.23%
	0.50 to < 0.75	0.60%	0.60%	272	302	-	0.10%
	0.75 to < 2.50	1.06%	1.06%	319	366	2	1.11%
	2.50 to < 10.00	5.00%	5.00%	32	32	2	5.71%
	10.00 to < 100	15.46%	14.31%	42	452	-	8.00%
	Total	**1.05%**	**1.09%**	**1,478**	**1,514**	**4**	**0.90%**

Portfolio	Estimated LGD (%)	LGD excluding prudence factor (%)
Sovereigns	55%	12%
Local authorities	FIRB approach	FIRB approach
Financial institutions [1]	53%	60%
Corporates	45%	39%
Specialised lending	27%	22%

[1] *Recalibrated model, awaiting validation.*

3.4.2.3 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 portfolio is defined on a regulatory basis in Regulation (EU) 575/2013 of 26 June 2013. Crédit Agricole S.A. Group uses the market price method to measure its exposure to counterparty risk on transactions on forward financial instruments in the banking portfolio (Article 274) or the internal model method (Article 283) within the scope of Crédit Agricole CIB.

◆ Analysis of the exposure to counterparty risks (CCR)

▶ Analysis of the exposure to counterparty risks (CCR) by type of approach

	31.12.2020											
	Standardised				IRB				Total			
€ million	Gross exposure	EAD	RWA	Capital require-ment	Gross exposure	EAD	RWA	Capital require-ment	Gross ex-posure	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	-	-	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-	-	-
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**

	31.12.2019											
	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	1	1	-	-	5,489	5,489	126	10	5,489	5,489	126	10
Institutions	12,318	12,318	267	21	25,528	26,098	4,155	332	37,846	38,416	4,423	354
Corporates	472	472	399	32	25,059	24,489	8,363	669	25,531	24,961	8,762	701
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-	-	-
Other non-credit-obligation assets	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**12,791**	**12,791**	**666**	**53**	**56,076**	**56,076**	**12,644**	**1,012**	**68,867**	**68,867**	**13,311**	**1,065**

◆ Counterparty risk by type of approach

▶ Analysis of counterparty credit risk (CCR) exposure by approach (CCR1)

	31.12.2020						
€ million	Notionals	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post-CRM	RWA
Mark to market	-	2,383	2,777	-	-	5,906	2,065
Original exposure	-	-	-	-	-	-	-
Standardised approach	-	-	-	-	-	-	-
IMM (for derivatives and SFTs)	-	-	-	25,121	1.65	41,449	10,379
of which securities financing transactions	-	-	-	-	-	-	-
of which derivatives and deferred settlement transactions	-	-	-	25,121	1.65	41,449	10,379
of which resulting from a multi-product netting agreement	-	-	-	-	-	-	-
Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-
Financial collateral general method (for SFTs)	-	-	-	-	-	28,545	1,911
VaR for SFTs	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**14,355**

	31.12.2019						
€ million	Notionals	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post-CRM	RWA
Mark to market	-	1,152	2,041	-	-	3,936	1,442
Original exposure	-	-	-	-	-	-	-
Standardised approach	-	-	-	-	-	-	-
IMM (for derivatives and SFTs)	-	-	-	24,257	1.55	37,599	8,990
of which securities financing transactions	-	-	-	-	-	-	-
of which derivatives and deferred settlement transactions	-	-	-	24,257	1.55	37,599	8,990
of which resulting from a multi-product netting agreement	-	-	-	-	-	-	-
Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-
Financial collateral general method (for SFTs)	-	-	-	-	-	14,954	2,617
VaR for SFTs	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**13,049**

Standardised approach – CCR exposures

Standardised approach – CCR exposures by regulatory portfolio and risk weights at 31 December 2020 (CCR3)

€ million	31.12.2020													
Regulatory portfolio	0.0%	2.0%	4.0%	10.0%	20.0%	35.0%	50.0%	70.0%	75.0%	100.0%	150.0%	Other	Total counterparty risk exposure	of which unrated
Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	10	5,633	-	-	23	-	6	-	-	29	-	-	5,702	5,689
Corporates	-	-	-	-	4	-	43	-	-	648	-	-	695	357
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposure in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**10**	**5,633**	**-**	**-**	**27**	**-**	**49**	**-**	**-**	**677**	**-**	**-**	**6,397**	**6,046**

Standardised approach – CCR exposures by regulatory portfolio and risk weights at 31 December 2019 (CCR3)

€ million	31.12.2019													
Regulatory portfolio	0.0%	2.0%	4.0%	10.0%	20.0%	35.0%	50.0%	70.0%	75.0%	100.0%	150.0%	Other	Total counterparty risk exposure	of which unrated
Central governments and central banks	1	-	-	-	-	-	-	-	-	-	-	-	1	1
Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	-	12,278	-	-	20	-	4	-	-	16	-	-	12,318	12,313
Corporates	-	-	-	-	-	-	147	-	-	325	-	-	472	196
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposure in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**1**	**12,278**	**-**	**-**	**21**	**-**	**150**	**-**	**-**	**341**	**-**	**-**	**12,791**	**12,511**

◆ Exposure to counterparty risk by the advanced method

▶ CCR exposures by portfolio and PD scale at 31 December 2020, following prudential portfolios for the advanced internal ratings-based approach (CCR4)

€ million	31.12.2020					
PD scale	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks						
0.00 to < 0.15	8,257	0.01%	5.67%	1,042	89	1.08%
0.15 to < 0.25	385	0.16%	9.98%	749	29	7.53%
0.25 to < 0.50	21	0.30%	10.00%	926	2	9.45%
0.50 to < 0.75	24	0.60%	10.00%	647	6	24.31%
0.75 to < 2.50	101	0.80%	45.00%	397	72	71.45%
2.50 to < 10.00	8	5.00%	58.78%	1,296	15	197.58%
10.00 to < 100.00	-	20.00%	77.17%	1,344	-	249.17%
100.00 (default)	-	0.00%	0.00%	-	-	0.00%
Sub-total	**8,796**	**0.03%**	**6.38%**	**1,021**	**214**	**2.44%**
Institutions						
0.00 to < 0.15	30,964	0.04%	9.49%	540	1,565	5.06%
0.15 to < 0.25	2,511	0.16%	34.04%	775	944	37.59%
0.25 to < 0.50	2,073	0.30%	41.94%	439	953	45.96%
0.50 to < 0.75	738	0.60%	47.37%	521	635	86.04%
0.75 to < 2.50	980	0.82%	25.69%	1,039	443	45.17%
2.50 to < 10.00	19	5.00%	83.92%	278	48	252.29%
10.00 to < 100.00	4	19.81%	39.70%	1,142	9	206.80%
100.00 (default)	5	100.00%	45.01%	1,589	2	54.17%
Sub-total	**37,295**	**0.11%**	**14.12%**	**561**	**4,600**	**12.33%**
Corporates - Other						
0.00 to < 0.15	14,983	0.04%	33.21%	633	1,603	10.70%
0.15 to < 0.25	2,498	0.16%	45.42%	791	1,096	43.86%
0.25 to < 0.50	2,478	0.30%	45.13%	739	1,105	44.59%
0.50 to < 0.75	2,782	0.60%	43.51%	706	1,650	59.30%
0.75 to < 2.50	2,059	1.19%	48.87%	916	1,827	88.76%
2.50 to < 10.00	129	5.00%	32.71%	792	180	139.51%
10.00 to < 100.00	114	14.60%	43.29%	823	251	219.43%
100.00 (default)	57	100.00%	45.36%	892	6	10.11%
Sub-total	**25,101**	**0.55%**	**38.09%**	**693**	**7,717**	**30.75%**
Corporates - SMEs						
0.00 to < 0.15	54	0.03%	47.31%	936	8	14.55%
0.15 to < 0.25	4	0.18%	31.50%	738	1	33.65%
0.25 to < 0.50	14	0.30%	43.75%	437	6	44.81%
0.50 to < 0.75	6	0.60%	42.95%	1,013	5	89.25%
0.75 to < 2.50	27	1.67%	33.29%	914	28	102.79%
2.50 to < 10.00	5	5.00%	41.58%	1,431	6	127.39%
10.00 to < 100.00	1	16.39%	23.15%	714	2	176.38%
100.00 (default)	-	0.00%	0.00%	-	-	0.00%
Sub-total	**111**	**0.87%**	**42.14%**	**883**	**57**	**51.04%**
Corporates - Specialised lending						
0.00 to < 0.15	690	0.06%	12.04%	1,390	44	6.31%
0.15 to < 0.25	1,172	0.16%	12.80%	1,356	236	20.15%
0.25 to < 0.50	698	0.30%	12.79%	1,335	119	17.06%
0.50 to < 0.75	680	0.60%	13.15%	1,122	187	27.46%
0.75 to < 2.50	804	1.03%	15.75%	1,271	325	40.36%
2.50 to < 10.00	59	5.00%	13.36%	1,302	34	57.21%
10.00 to < 100.00	78	15.85%	16.19%	1,122	103	132.80%
100.00 (default)	31	100.00%	31.94%	981	-	0.99%
Sub-total	**4,212**	**1.50%**	**13.51%**	**1,296**	**1,047**	**24.87%**
Total	**75,515**	**0.33%**	**21.20%**	**700**	**13,635**	**18.06%**

5

CCR exposures by portfolio and PD scale at 31 December 2019, following prudential portfolios for the advanced internal ratings-based approach (CCR4)

€ million	31.12.2019					
PD range	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks						
0.00 to < 0.15	5,053	0.01%	1.33%	1,121	14	0.28%
0.15 to < 0.25	255	0.16%	9.91%	829	20	7.95%
0.25 to < 0.50	46	0.30%	10.00%	651	4	9.62%
0.50 to < 0.75	80	0.60%	10.00%	602	14	17.36%
0.75 to < 2.50	49	1.34%	46.91%	1,002	57	117.28%
2.50 to < 10.00	-	-	-	-	-	-
10.00 to < 100.00	6	20.00%	67.81%	1,543	16	255.15%
100.00 (default)	-	-	-	-	-	-
Sub-total	**5,489**	**0.06%**	**2.40%**	**1,096**	**126**	**2.29%**
Institutions						
0.00 to < 0.15	21,015	0.04%	12.17%	638	1,551	7.38%
0.15 to < 0.25	2,146	0.16%	36.58%	761	825	38.44%
0.25 to < 0.50	1,530	0.30%	38.28%	551	778	50.87%
0.50 to < 0.75	626	0.60%	47.10%	505	587	93.77%
0.75 to < 2.50	780	0.84%	23.93%	979	306	39.28%
2.50 to < 10.00	38	5.00%	82.81%	297	95	252.36%
10.00 to < 100.00	6	17.65%	50.14%	538	13	207.60%
100.00 (default)	-	-	-	-	-	-
Sub-total	**26,140**	**0.11%**	**16.92%**	**647**	**4,155**	**15.90%**
Corporates - Other						
0.00 to < 0.15	10,712	0.04%	34.20%	740	1,338	12.49%
0.15 to < 0.25	2,260	0.16%	43.10%	822	1,017	45.00%
0.25 to < 0.50	2,674	0.30%	45.94%	871	1,101	41.19%
0.50 to < 0.75	2,501	0.60%	46.29%	823	1,443	57.68%
0.75 to < 2.50	2,143	0.99%	45.87%	880	1,694	79.03%
2.50 to < 10.00	63	5.00%	52.83%	1,081	87	137.95%
10.00 to < 100.00	865	19.71%	30.02%	377	964	111.46%
100.00 (default)	69	100.00%	45.39%	899	26	37.63%
Sub-total	**21,287**	**1.39%**	**39.12%**	**775**	**7,670**	**36.03%**
Corporates - SMEs						
0.00 to < 0.15	55	0.03%	47.46%	460	11	19.60%
0.15 to < 0.25	3	0.16%	49.98%	1,338	1	41.66%
0.25 to < 0.50	-	0.30%	49.86%	622	-	54.48%
0.50 to < 0.75	3	0.60%	51.08%	432	2	76.00%
0.75 to < 2.50	28	1.62%	31.80%	901	35	124.67%
2.50 to < 10.00	3	5.00%	44.42%	693	5	167.58%
10.00 to < 100.00	3	13.78%	25.35%	511	7	248.32%
100.00 (default)	-	-	-	-	-	0.00%
Sub-total	**95**	**1.09%**	**42.33%**	**629**	**61**	**64.33%**
Corporates - Specialised lending						
0.00 to < 0.15	665	0.06%	11.80%	1,225	42	6.27%
0.15 to < 0.25	933	0.16%	10.23%	1,312	150	16.06%
0.25 to < 0.50	620	0.30%	11.11%	1,268	98	15.84%
0.50 to < 0.75	481	0.60%	12.01%	1,171	95	19.76%
0.75 to < 2.50	427	0.95%	12.59%	1,239	147	34.45%
2.50 to < 10.00	16	5.00%	14.22%	1,241	5	28.67%
10.00 to < 100.00	98	14.73%	14.39%	1,045	86	87.30%
100.00 (default)	22	100.00%	40.58%	1,068	11	47.78%
Sub-total	**3,263**	**1.50%**	**11.64%**	**1,246**	**633**	**19.40%**
Total	**56,273**	**0.67%**	**23.61%**	**777**	**12,644**	**22.47%**

Collateral

Impact of netting and collateral held on exposure values (CCR5-A)

		31.12.2020				
(€ million)		Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
1	Derivatives	275,671	233,840	41,760	1,329	40,431
2	SFTs	43,333	28,349	14,984	691	14,293
3	Cross-product netting	-	-	-	-	-
4	**TOTAL**	**319,004**	**262,189**	**56,744**	**2,020**	**54,724**

Change in RWA under the internal model method (IMM) between 31 December 2019 and 31 December 2020

RWA flow statements of CCR exposures under Internal Model Method (IMM) (CCR7)

		31.12.2020	
€ million		RWA	Minimal capital requirements
1	**RWA as at end of previous reporting period**	**8,990**	**719**
2	Asset size	(1,179)	(94)
3	Credit quality of counterparties	(96)	(8)
4	Model updates (IMM only)	900	72
5	Methodology and policy (IMM only	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	2,064	165
8	Other	(300)	(24)
9	**RWA as at end of current reporting period**	**10,379**	**830**

Exposures to central counterparties (CCPs)

Exposures to central counterparties (CCPs) (CCR8)

		31.12.2020	
€ million		EAD post-CRM	RWA
1	**Exposures to QCCPs (total)**	**-**	**417**
2	Exposures for trades with QCCPs	5,633	113
3	(i) OTC derivatives	1,500	30
4	(ii) Exchange-traded derivatives	121	2
5	(iii) SFTs	4,012	80
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	3,779	-
8	Non-segregated initial margin	523	10
9	Pre-funded default fund contributions	388	294
10	Alternative calculation of own funds requirements for exposures	-	-
11	**Exposures to non-QCCPs (total)**	**-**	**-**
12	Exposures for trades with non-CCPs	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

3.4.2.4 CVA

The CRR introduced a new capital charge to reflect Credit Valuation Adjustment (CVA) volatility, a valuation adjustment on assets known as CVA Risk, whose purpose is to recognise credit events affecting our counterparties in the valuation of OTC derivatives. As such, CVA is defined as the difference between the valuation without default risk and the valuation that takes into account the probability of default of our counterparties. Under this directive, institutions use a supervisory formula ("standard method") or calculate their capital requirements using the internal model for counterparty risk and the advanced approach ("CVA VaR") for specific interest rate risk. The CVA requirement under the advanced approach is calculated on the basis of anticipated positive exposures on OTC derivatives transactions vis-à-vis "Financial institutions" counterparties excluding intragroup transactions. Under this scope, the system used to estimate the capital requirements is the same as the one used to calculate the market VaR for the specific interest rate risk.

▶ Capital requirement with regard to credit valuation adjustment (CVA) at 31 December 2020 and 31 December 2019 (CCR2)

€ million		31.12.2020 EAD post-CRM	31.12.2020 RWA	31.12.2019 EAD post-CRM	31.12.2019 RWA
1	Total portfolios subject to the advanced method	14,933	2,681	16,681	2,706
2	i) VaR component (including the 3× multiplier)	-	568	-	249
3	ii) SVaR component (including the 3× multiplier)	-	2,113	-	2,457
4	All portfolios subject to the standardised method	30,659	1,294	15,284	699
EU4	Original exposure method	-	-	-	-
5	**Total portfolios subject to the CVA capital charge**	**45,592**	**3,975**	**31,965**	**3,405**

3.4.2.5 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.

▶ Credit Risk Mitigation Techniques (CRM) - Overview (RC3)

31.12.2020						
(€ million)		Unsecured exposures - Carrying amount	Secured exposures - Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	147,116	79,938	58,950	3,197	17,791
2	Total debt securities	37,381	-	-	-	-
3	Total exposures	184,497	79,938	58,950	3,197	17,791
4	of which defaulted	3,030	1,602	868	478	256

31.12.2019						
(€ million)		Unsecured exposures - Carrying amount	Secured exposures - Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	142,952	78,949	57,846	4,771	16,332
2	Total debt securities	36,640	-	-	-	-
3	Total exposures	179,592	78,949	57,846	4,771	16,332

3.4.2.6 RISK MITIGATION TECHNIQUES APPLIED TO CREDIT RISK

Collateral management system

The main categories of collateral taken by the Bank are described under “Risk management – Credit Risk – Collateral and Guarantees Received”.

When a loan is granted, collateral is analysed specifically to assess the value of the asset, its liquidity, volatility and the correlation between the value of the collateral and the quality of the counterparty financed. Regardless of collateral quality, the first criterion in the lending decision is always the borrower’s ability to repay sums due from cash flow generated by its operating activities, except for specific trade finance transactions.

For financial collateral, a minimum exposure coverage ratio is usually included in loan contracts, with readjustment clauses. Financial collateral is revalued according to the frequency of margin calls and the variability of the underlying value of the financial assets transferred as collateral or quarterly, as a minimum.

The minimum coverage ratio (or the haircut applied to the value of the collateral under Basel II) is determined by measuring the pseudo-maximum deviation of the value of the securities on the revaluation date. This measurement is calculated with a 99% confidence interval over a time horizon covering the period between each revaluation, the period between the default date and the date on which asset liquidation starts, and the duration of the liquidation period. This haircut also applies for currency mismatch risk when the securities and the collateralised exposure are denominated in different currencies. Additional haircuts are applied when the size of the stock position necessitates a block sale or when the borrower and the issuer of the collateral securities belong to the same risk group.

Other types of asset may also be pledged as non-recourse financial assets. This is notably the case for certain activities such as asset financing for aircrafts, shipping, real estate or commodities.

INSURANCE PROVIDERS

Two main types of security are generally used (excluding intragroup guarantees):

- export credit insurance taken out by the Bank;
- unconditional payment guarantees.

The main personal guarantee providers (excluding credit derivatives) are export credit agencies, most of which fall under sovereign risk and have an investment grade rating. The major ones are BPI (France), Sace SPA. (Italy), Euler Hermes (Germany) and Korea Export Insur (Korea).

Financial health of export credit agencies – Available ratings of rating agencies

	31.12.2020		
	Moody’s	Standard & Poor’s	Fitch Ratings
	Long-term rating (outlook)	Long-term rating (outlook)	Long-term rating (outlook)
Bpifrance Financement (EPIC Bpifrance)	Aa2 [stable]	Not rated	AA [negative]
Euler Hermès S.A.	Aa3 [stable]	AA [stable]	Not rated
Sace S.p.A.	Not rated	Not rated	BBB- [stable]

3.4.2.7 RISK MITIGATION TECHNIQUES APPLIED TO COUNTERPARTY RISK

Credit derivatives used for hedging at 31 December 2020

Credit derivatives used for hedging purposes are described under "Risk management - Credit Risk - Use of Credit Derivatives".

Credit derivatives exposures (CCR6)

	31.12.2020		
	Credit derivative hedges		
€ million	Protection bought	Protection sold	Other credit derivatives
Notionals	-	-	-
Single-name credit default swaps	6,819	-	-
Index credit default swaps	-	-	-
Total return swaps	-	-	-
Credit options	-	-	-
Other credit derivatives	-	-	-
TOTAL NOTIONALS	**6,819**	**-**	**-**
Fair values	-	-	-
Positive fair value (asset)	9	-	-
Negative fair value (liability)	(504)	-	-

3.4.2.8 SECURITISATION TRANSACTIONS

The credit risk on securitisation transactions is described in the "Securitisation" chapter below.

3.4.2.9 EQUITY EXPOSURES 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".

Internal ratings - Amount of gross exposures and exposure at default using the internal rating method at 31 December 2020 (CR10)

	31.12.2020					
	Categories					
€ million	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWAs	Minimal capital requirements
Private equity exposures	-	-	190%	-	-	-
Exchange-traded equity exposures	1	-	290%	1	3	-
Other equity exposures	310	-	370%	310	1,148	92
TOTAL	**311**	**-**	**-**	**311**	**1,151**	**92**

Internal ratings - Amount of gross exposures and exposure at default using the internal rating method as of 31 December 2019 (CR10)

	31.12.2019					
	Categories					
€ million	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWAs	Minimal capital requirements
Private equity exposures	-	-	190%	-	-	-
Exchange-traded equity exposures	436	-	290%	436	1,265	101
Other equity exposures	510	-	370%	332	1,229	98
TOTAL	**946**	**-**	**-**	**768**	**2,494**	**200**

3.4.3 Securitisation

3.4.3.1 DEFINITIONS OF SECURITISATION TRANSACTIONS

Crédit Agricole CIB Group carries out securitisation transactions as an originator, sponsor or investor in accordance with the Basel III criteria.

The securitisation transactions listed below are transactions as defined in Directive 2013/36/EU (CRD 4) and Regulation (EU) 575/2013 of 26 June 2013 (CRR), in force from 1 January 2014. The directive and regulations incorporate into European law the international Basel III reforms (issued in December 2010) introducing, among other things, new requirements for bank solvency and oversight of liquidity risk. These texts are supplemented by Regulations (EU) 2017/2401 and 2017/2402 of the European Parliament and of the Council of 12 December 2017. Regulation 2017/2402 introduces a general framework for securitisation and a specific framework for simple, transparent and standardised securitisation, and regulation 2017/2401 modifies the applicable calculation formulae for securitisations in respect of the solvency ratio.

They cover transactions or structures under which the credit risk associated with an exposure or pool of exposures is sub-divided into tranches and which have the following features:

- payments made as part of the transaction or the structure depend on the performance of the exposure or the basket of exposures;
- the subordination of tranches determines how losses are allocated over the life of the transaction or structure.

Securitisation transactions include:

- conventional securitisation: securitisation involving the transfer of the economic interest of the securitised exposures through the transfer of ownership of these exposures from the originator to a securitisation entity or through a sub-compartment of a securitisation entity, in which the securities issued do not represent payment obligations for the originator;
- synthetic securitisations: a securitisation in which risk is transferred via the use of credit derivatives or guarantees and in which the securitised exposures remain exposures for the originator.

The Crédit Agricole CIB securitisation exposures detailed below cover all securitisation exposures (recognised on or off-balance sheet) that generate risk-weighted assets (RWA) and capital requirements with respect to the Group's regulatory capital portfolio, of the following types:

- the securitisation exposures for which the Group is considered to be the originator;
- positions in which the Group is an investor;
- positions in which the Group is a sponsor;
- securitisation swap positions (currency or interest rate hedges) made on behalf of securitisation vehicles.

It should be noted that most securitisation transactions on behalf of European clients involve Ester Finance Technologies, a wholly owned credit institution subsidiary of Crédit Agricole CIB, which finances the purchase of receivables as both sponsor and, through Ester Finance Technologies, originator of these securitisation transactions.

3.4.3.2 PURPOSE AND STRATEGY

Proprietary securitisation activities

Crédit Agricole CIB's activities to transfer risk through proprietary securitisation are as follows:

ACTIVE MANAGEMENT OF THE FINANCING PORTFOLIO

In addition to the use of credit derivatives (see "Risk factors and Pillar 3", section Credit risks - Use of credit derivatives), this activity consists of using securitisation to manage the credit risk in the corporate financing portfolio, optimising the allocation of equity, reducing the concentration of outstanding loans to corporates, freeing up resources to contribute to the renewal of the banking portfolio (in the framework of the Distribute to Originate model) and optimising the profitability of shareholders' funds. This activity is managed by the Private Debt Solutions team, which reports both to the Execution Management department within the Finance Department and to Crédit Agricole CIB's Debt Optimisation and Distribution department. The supervisory formula approach is used to calculate the weighted exposures on proprietary securitisations. In this activity, the Bank does not systematically purchase insurance on all tranches, as the management goal is to cover some of the most risky financing portfolio tranches whilst keeping part of the overall risk.

NEW SECURITISATION CARRIED OUT BY CRÉDIT AGRICOLE CIB IN 2020

As part of portfolio financing management, the Execution Management teams structured one synthetic securitisation transaction with private investors. This transaction, with a 5-year term, which relates to a US$1.15 portfolio of corporate loans from Crédit Agricole CIB, is the first synthetic securitisation carried out with several investors simultaneously and opens up new distribution opportunities for these loans. This transaction is secured by cash collateral equal to the amount of the risk guaranteed.

Securitisation transactions carried out on behalf of clients as arranger/sponsor, intermediary or originator

Securitisation transactions on behalf of clients within Global Markets activities allow Crédit Agricole CIB to raise funds or manage a risk exposure on behalf of its clients. When carrying out these activities, Crédit Agricole CIB may act as originator, sponsor/arranger or investor:

- as a sponsor/arranger, Crédit Agricole CIB structures and manages securitisation programmes that refinance assets of the Bank's clients, mainly via Asset Backed Commercial Paper (ABCP) conduits, namely LMA in Europe, Atlantic and La Fayette in the United States, and ITU in Brazil. These specific entities are protected against the bankruptcy of Crédit Agricole CIB, but have been consolidated by the Group since the entry into force of IFRS 10 on 1 January 2014. The liquidity facilities protect investors from credit risk and guarantee the liquidity of the conduits;
- as an investor, the Group invests directly in certain securitisation exposures and is a liquidity provider or counterparty of derivative exposures (currency or interest rate swaps for example);
- as an arranger, sponsor or originator, Crédit Agricole CIB carries out securitisation transactions on behalf of its clients.

At 31 December 2020, there were four active consolidated multi-seller vehicles (LMA, Atlantic, La Fayette and ITU), structured by the Group on behalf of third parties. LMA, Atlantic, La Fayette and ITU are ABCP fully supported programmes. This ABCP conduits activity finances the working capital requirements of some of the Group's clients by backing short-term financing with traditional assets, such as commercial or financial receivables. The amount of the assets held by these vehicles and financed through the issuance of marketable securities amounted to €24 billion at 31 December 2020 (€27 billion at 31 December 2019).

The default risk on the assets held by these vehicles is borne by the sellers of the underlying receivables through credit enhancements or by insurers for certain types of risk, upstream of the ABCP transactions, for which Crédit Agricole CIB bears the risk through liquidity facilities.

ACTIVITIES CARRIED OUT AS A SPONSOR

The conduits activity was sustained throughout 2020 and the newly securitised outstandings mainly relate to commercial and financial loans.

It should be noted that for part of this conduit's activity, Crédit Agricole CIB acts as the originator insofar as the structures involve the entity Ester Finance Technologies, which is a consolidated Group entity.

The amount committed to liquidity facilities granted to LMA, Atlantic, La Fayette and ITU as sponsor was €35 billion at 31 December 2020 (€37 billion at 31 December 2019).

ACTIVITIES CARRIED OUT AS AN INVESTOR

As part of its sponsor activities, the Group may grant guarantees and liquidity facilities to securitisation vehicles or act as counterparty for derivatives in securitisation transactions involving special purpose vehicles. These transactions typically involve currency swaps granted to ABCP conduits and interest rate swaps for certain ABS issues. These activities are recorded in the banking book as investor activities.

Moreover, Crédit Agricole CIB may be called upon to directly finance on its balance sheet some securitisation transactions on behalf of its clients (mainly aeronautic or vehicle fleet financing transactions) or provide support through a liquidity facility to an issue carried out by special purpose entities that are external to the Bank (SPV or ABCP program not sponsored by the Bank). In this case, Crédit Agricole CIB is deemed to be an investor. This activity represented a commitment of €2 billion at 31 December 2020 (€2 billion at 31 December 2019).

INTERMEDIATION TRANSACTIONS

Crédit Agricole CIB participates in the structuring and in the placement of securities backed by client asset pools and intended to be placed with investors.

In this business, the Bank retains a relatively low risk insofar as it sometimes contributes back-up lines to the vehicles that issue the securities or holds a share of the securities issued.

3.4.3.3 RISK MONITORING AND RECOGNITION

Risk monitoring

Risk management related to securitisation transactions follows the rules established by the Group and depends on whether the assets are recognised in the banking book (credit and counterparty risk) or trading book (market and counterparty risk).

The development, scaling and targeting of securitisation transactions are periodically reviewed by Portfolio Strategy Committees specific to those activities and the respective countries, as well as by the Group Risks Committees.

Risks on securitisation transactions are measured against the capacity of the assets transferred to financing vehicles to generate sufficient flows to cover the costs, mainly financial, of these vehicles.

Crédit Agricole CIB's securitisation exposures are treated using the IRB-securitisation approach. The new weighting approaches, which came fully into force on 1 January 2020, are as follows:

- the "SEC IRBA" regulatory formula method: This approach is mainly based on the regulatory weighting of the underlying portfolio of receivables and on the attachment point of the tranche.
- "SEC-SA" Standard Method: similarly, to the SEC-IRBA approach, this approach is based on the weighting of the portfolio of underlying receivables (but under the standardised approach) and mainly take account of the attachment point's historical performances.
- method based on "SEC-ERBA" external ratings: this approach is based on the ratings provided by the public external rating agencies approved by the Committee of European Supervisors. The external agencies used are Standard & Poor's, Moody's, Fitch Ratings and Dominion Bond Rating Services (DBRS);
- Internal Assessment Approach (IAA): the Bank's internal rating method approved by the Crédit Agricole S.A. Standards and Methods Committee for the principal asset classes (including trade receivables and outstanding loans on vehicles).

In accordance with the regulations, Crédit Agricole CIB's internal evaluation approaches replicate the public methods used by external ratings agencies. These contain the following two elements:

- a quantitative component that assesses the rate of increase in transactions compared to historical performance as well as the potential risk of commingling generated by the transaction;
- a qualitative component that supplements the quantitative approach and facilitates an assessment of, among other things, the quality of the structures or even the reports.

The internal rating methods apply to securitisations of trade receivables, auto loans and dealer inventory financing.

As regards the stress simulation parameters, these depend on the rating of the securitisations and securitised underlyings. For example, for an AA equivalent rating (S&P scale), the default risk stress simulation parameter is approximately 2.25 for trade receivable transactions, generally 3 for automobile loan securitisations, and dealer inventory financing securitisations. The credit stress simulation is composed of several elements including a degradation of three ratings on the car manufacturer's rating.

It should be noted that beyond the needs of prudential calculations, the internal ratings are used as part of the origination process to assess the profitability of transactions.

Lastly, concerning the internal models' framework, an independent unit within the Crédit Agricole Group is tasked with the validation of the internal methodologies. In addition, regular audits are conducted by the Group Control and Audit Department to ensure the relevance of the internal methodologies. Backtesting and stress test exercises are also regularly implemented by the modelling teams.

These ratings include all the types of risk implied by securitisation transactions: intrinsic risks on loans and receivables (insolvency of the borrower, payment delays, dilution, offsetting of receivables) or risks on the structuring of transactions (legal risks, risks related to the settlement channels for loans and receivables, risks related to the quality of the information periodically supplied by the administrator of transferred loans and receivables, other risks related to the transferor, etc.).

These critically examined ratings are only a tool for making decisions pertaining to these transactions; such decisions are taken by Credit Committees at various levels.

Credit decisions impose on the transactions, which are reviewed at least on an annual basis by these same committees, different limits as the acquired portfolio changes (levels for late payments, losses, concentration by sector or geographic area, dilution of loans and receivables or the periodic valuation of assets by independent experts, etc.) the non-respect of which may result in a tightening of the structure or the early amortisation of the transaction.

These credit decisions also include, in liaison with the Bank's other Credit Committees, an assessment focusing on the risk generated by the recipients of the receivables and the possibility of substituting the manager by a new one in the event of mismanagement of those receivables.

Like all credit decisions, these decisions include aspects of compliance and "country risk".

Ester Finance Technologies recognised impaired receivables (Bucket 3) of €230.7 million at 31 December 2020, and impairments of €6.7 million. Net of impairments, the total amount of securitised assets within this entity was €14.7 billion.

The liquidity risk associated with securitisation activities is monitored by the business lines in charge, but also centrally by the Market Risks Department and the Control Department. The impact of these activities is incorporated into the Internal Liquidity Model indicators, including the stress scenarios, liquidity ratios and liquidity gaps. The management of liquidity risk at Crédit Agricole CIB is described in more detail in the paragraph "Liquidity and financing risk" of the Risk Factors part of this section.

The management of foreign exchange risk with respect to securitisation activities is not different from that of the Group's other assets. As regards interest rate risk management, securitised assets are refinanced through special purpose vehicles according to rules for matching interest rates closely to those of the other assets.

For assets of discontinuing activities, each transfer of position is first approved by Crédit Agricole CIB's Market Risk Department.

◆ Accounting policies

Investments in securitisation instruments (traditional or synthetic) are recognised on the basis of their classification and their associated valuation (see Note 1.3 on accounting policies and principles of the consolidated financial statements for the classification and valuation of financial assets).

Securitisation positions can be classified into the following accounting categories:

- "financial assets at amortised cost": these securitisation exposures are measured following initial recognition at amortised cost based on the effective interest rate and may, if necessary, be impaired;
- "financial assets at fair value through comprehensive income that may be reclassified to profit or loss": these securitisation exposures are remeasured at their fair value on the closing date and the variances in fair value are recognised in gains (losses) accounted in other comprehensive income that may be reclassified to profit or loss;
- "financial assets at fair value through profit or loss": these securitisation exposures are remeasured at fair value on the closing date and any changes in fair value are recognised through profit or loss under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Gains on disposals of securitisation positions are recognised to profit/loss in accordance with the rules for the original category of the positions sold.

As part of securitisation transactions, Crédit Agricole CIB carries out a derecognition test with regard to IFRS 9 (the criteria for which are listed in Note 1.3 on accounting policies and principles of the consolidated financial statements).

In the case of synthetic securitisations, the assets are not derecognised, as they remain under the control of the institution. The assets continue to be recognised according to their original classification and valuation method (see Note 1.3 on Accounting policies and principles of the consolidated financial statements for the classification and valuation of financial assets).

3.4.3.4 2020 ACTIVITY SUMMARY

Crédit Agricole CIB's securitisation activity in 2020 was marked by:

- support for the development of the public ABS market in Europe and the United States. Crédit Agricole CIB structured and organised the placement (as arranger and bookrunner) of a significant number of primary ABS issues on behalf of its large "Financial Institutions" clients, notably in the automobile and consumer finance sectors;
- in the ABCP conduits market, Crédit Agricole CIB maintained its position amongst the leaders in both the European and US markets. It renewed and initiated new securitisation transactions involving commercial and financial receivables on behalf of its clients, mostly corporates, while ensuring a favourable risk profile borne by the Bank. Crédit Agricole CIB's strategy of focusing on client financing is appreciated by investors and is reflected in still competitive financing terms.

At 31 December 2020, Crédit Agricole CIB had no premature repayment of a securitisation transaction. Furthermore, Crédit Agricole CIB had no securitisation transactions for which it provided implicit support in 2020.

3.4.3.5 EXPOSURES

◆ Exposure at default of securitisation transactions in the banking book that generate RWA

▶ Securitisation exposures in IRB and STD banking book (SEC1) / R TITRI 1

		31.12.2020														
		Bank acts as originator							Bank acts as sponsor				Bank acts as investor			
		Traditional				Synthetic			Traditional				Traditional			
		STS		non-STS												
	(€ million)		of which TSR		of which TSR		of which TSR	Sub-total	STS	non-STS	Synthetic	Sub-total	STS	non-STS	Synthetic	Sub-total
1	**Total exposures**	**15,448**	**-**	**1,858**	**-**	**7,223**	**7,223**	**24,529**	**3,210**	**14,331**	**-**	**17,541**	**358**	**2,332**	**-**	**2,690**
2	**Retail (total)**	**-**	**-**	**523**	**-**	**-**	**-**	**523**	**1,975**	**7,143**	**-**	**9,118**	**357**	**1,048**	**-**	**1,405**
3	Residential mortgages	-	-	-	-	-	-	-	-	-	-	-	357	43	-	400
4	Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	523	-	-	-	523	1,975	7,143	-	9,118	-	980	-	980
6	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	24	-	24
7	**Wholesale (total)**	**15,448**	**-**	**1,335**	**-**	**7,223**	**7,223**	**24,006**	**1,235**	**7,188**	**-**	**8,423**	**1**	**1,284**	**-**	**1,285**
8	Loans to corporates	-	-	-	-	6,694	6,694	6,694	-	1,141	-	1,141	-	-	-	-
9	Commercial mortgages	-	-	-	-	-	-	-	-	-	-	-	-	16	-	16
10	Lease and receivables	15,448	-	1,335	-	-	-	16,783	1,235	4,456	-	5,691	1	525	-	527
11	Other wholesale	-	-	-	-	529	529	529	-	1,591	-	1,591	-	743	-	743
12	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

▶ Exposure at default of securitisation transactions broken down by accounting classification on- or off-balance sheet

€ million	EAD securitised at 31.12.2020		
Underlying assets (in M€)	On-balance sheet	Off-balance sheet	TOTAL
Total exposures	**1,647**	**43,113**	**44,760**
Retail (total)	**735**	**10,311**	**11,046**
Residential real estate loans	350	50	400
Credit cards	-	-	-
Other retail exposures	361	10,260	10,622
Re-securitisation	24	-	24
Wholesale (total)	**912**	**32,802**	**33,714**
Loans to corporates	-	7,835	7,835
Commercial mortgages	-	16	16
Lease and receivables	316	22,684	23,000
Other wholesale	596	2,267	2,863
Re-securitisation	-	-	-

▶ **Securitised exposures in banking book and associated regulatory capital requirements – Bank acting as IRB and STD originator or sponsor (SEC3)**

		31.12.2020																
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
	€ million	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions
1	**Total exposures**	**33,407**	**8,599**	**53**	**9**	**2**	**7,947**	**30,747**	**3,376**	**-**	**2,100**	**5,088**	**528**	**-**	**168**	**407**	**42**	**-**
2	Traditional transaction	30,420	4,365	53	9	-	724	30,747	3,376	-	140	5,088	528	-	11	407	42	-
3	of which securitisation	30,420	4,365	53	9	-	724	30,747	3,376	-	140	5,088	528	-	11	407	42	-
4	of which retail underlying	9,556	85	-	-	-	-	7,582	2,060	-	-	1,139	332	-	-	91	27	-
5	of which STS	1,890	85	-	-	-	-	1,975	-	-	-	214	-	-	-	17	-	-
6	of which wholesale	20,864	4,280	53	9	-	724	23,166	1,316	-	140	3,949	196	-	11	316	16	-
7	of which STS	15,027	1,656	-	-	-	-	16,664	19	-	-	2,569	1	-	-	205	0	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transaction	2,987	4,234	-	-	2	7,223	-	-	-	1,959	-	-	-	157	-	-	-
10	Securitisation	2,987	4,234	-	-	2	7,223	-	-	-	1,959	-	-	-	157	-	-	-
11	of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which wholesale	2,987	4,234	-	-	2	7,223	-	-	-	1,959	-	-	-	157	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

5

▶ Securitisation exposures in the banking book and associated capital requirements – Bank acting as IRB and STD investor (SEC4)

		31.12.2020																
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
€ million		≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions
1	**Total exposures**	**2,077**	**551**	**33**	**5**	**24**	**1,013**	**854**	**823**	**-**	**270**	**89**	**399**	**1**	**22**	**7**	**32**	**-**
2	Traditional transaction	2,077	551	33	5	24	1,013	854	823	-	270	89	398	1	22	7	32	-
3	of which securitisation	2,077	551	33	5	-	1,013	854	800	-	270	89	104	1	22	7	8	-
4	of which retail underlying	830	551	-	-	-	501	425	455	-	172	72	52	1	14	6	4	-
5	of which STS	357	-	-	-	-	-	-	357	-	-	-	36	-	-	-	3	-
6	of which wholesale	1,247	-	33	5	-	512	428	345	-	98	17	52	-	8	1	4	-
7	of which STS	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	24	-	-	24	-	-	-	294	-	-	-	24	-
9	Synthetic transaction	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-

▶ Securitisation exposures - defaulted exposures and adjustment of specific credit risk (SEC5)

		31.12.2020		
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		
€ million			Of which exposures in default	Total amount of specific credit risk adjustments made during the period
1	**Total exposures**	**42,070**	**653**	**-**
2	Retail (total)	9,641	25	-
3	Residential mortgage	-	-	-
4	Credit card	-	-	-
5	Other retail exposures	9,641	25	-
6	Re-securitisation	-	-	-
7	Wholesale (total)	32,429	628	-
8	Loans to corporates	7,835	21	-
9	Commercial mortgage	-	-	-
10	Lease and receivables	22,474	606	-
11	Other wholesale	2,120	-	-
12	Re-securitisation	-	-	-

◆ Exposure at default of securitisation transactions in the trading book that generate RWA

EXPOSURE AT DEFAULT OF SECURITISATION TRANSACTIONS BY ROLE

▶ Securitisation exposures in trading book (SEC2)

		31.12.2020															
		Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
		Traditional				Traditional				Traditional			
€ million		STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**168**		**168**
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-
3	Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-
4	Credit card	-	-	-	-	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
6	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	168	-	168
8	Loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-
10	Lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-
11	Other wholesale	-	-	-	-	-	-	-	-	-	152	-	152
12	Re-securitisation	-	-	-	-	-	-	-	-	-	16	-	16

SECURITISATION EXPOSURES RETAINED OR ACQUIRED IN THE TRADING BOOK BY APPROACH AND BY WEIGHTING

▶ Securitisation exposures retained or acquired in the trading book by approach and by weighting

€ million	31.12.2020			31.12.2019		
Risk weighting tranche	Long positions	Short positions	Capital requirements	Long positions	Short positions	Capital requirement
EAD subject to weighting	-	-	-	-	-	-
7 - 10% weightings	-	-	-	-	-	-
12 - 18% weightings	36	-	-	138	-	1
20 - 35 % weightings	3	-	-	34	-	-
40 - 75% weightings	111	-	1	5	-	-
100% weightings	1	-	-	1	-	-
150% weightings	-	-	-	-	-	-
200% weightings	-	-	-	-	-	-
225% weightings	-	-	-	-	-	-
250% weightings	-	-	-	-	-	-
300% weightings	-	-	-	-	-	-
350% weightings	-	-	-	-	-	-
425% weightings	-	-	-	-	-	-
500% weightings	-	-	-	-	-	-
650% weightings	-	-	-	-	-	-
750% weightings	-	-	-	-	-	-
850% weightings	-	-	-	-	-	-
1250% weightings	16	-	3	19	-	3
Internal valuation approach	**168**	**-**	**4**	**197**	**-**	**5**
Supervisory formula approach	-	-	-	-	-	-
Transparency method	-	-	-	-	-	-
TOTAL NET OF CAPITAL DEDUCTIONS	**-**	**-**	**-**	**-**	**-**	**-**
1250%/Positions deducted from capital	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL TRADING PORTFOLIO	**168**	**-**	**4**	**197**	**-**	**5**

CAPITAL REQUIREMENTS RELATIVE TO SECURITISATIONS HELD OR ACQUIRED IN THE TRADING BOOK

▶ **Capital requirements relative to securitisations held or acquired in the trading book**

€ million	31.12.2020				31.12.2019			
	Long positions	Short positions	Total weighted positions	Capital requirement	Long positions	Short positions	Total weighted positions	Capital requirements
EAD subject to weighting	**168**	**-**	**4**	**4**	**197**	**-**	**21**	**5**
Securitisation	152	-	2	2	178	-	2	1
Resecuritisation	16	-	3	3	19	-	19	3
Deductions	-	-	-	-	-	-	-	-

3.4.4 Market risks

3.4.4.1 MARKET RISK MEASUREMENT AND MANAGEMENT METHODOLOGY

The methodologies for measuring and supervising market risks in internal models are described in the “Risk management – Market risks – Methodology for measuring and supervising market risks” section.

3.4.4.2 SETTLEMENT/DELIVERY RISK IN THE TRADING BOOK

The rules for valuing the various items in the trading book are described in Note 1.3 “Accounting policies and principles” of the notes to the financial statements.

The valuation models are subject to a periodic examination as described in the “Risk management – Market risks – Methodology for measuring and supervising market risks” section.

3.4.4.3 EXPOSURE TO THE TRADING BOOK’S MARKET RISK

◆ Risk weighted assets using the standard method

▶ **Risk weighted assets using the standard method (MR1)**

€ million	31.12.2020		31.12.2019	
	RWA	Capital requirements	RWA	Capital requirements
Futures and forwards	**1,221**	**98**	**1,250**	**100**
Interest rate risk (general and specific)	69	6	81	6
Risk on shares (general and specific)	-	-	-	-
Currency risk	1,145	92	1,154	92
Commodities risk	7	1	15	1
Options	**4**	**0**	**-**	**-**
Simplified approach	-	-	-	-
Delta-plus method	-	-	-	-
Scenario-based approach	4	0	-	-
Securitisation (specific risk)	**56**	**4**	**59**	**5**
TOTAL	**1,280**	**102**	**1,309**	**105**

◆ Exposures using the internal model approach

RISK-WEIGHTED ASSETS AND EQUITY CAPITAL REQUIREMENTS

▶ Market risk in the internal model approach (MR2-A)

€ million		31.12.2020 RWA	31.12.2020 Minimal capital requirements	31.12.2019 RWA	31.12.2019 Minimal capital requirements
1	**VaR (higher of values a and b)**	**1,694**	**136**	**1,743**	**139**
(a)	Previous day's VaR (VaRt-1)	-	29	-	30
(b)	Average of the daily VaR on each of the preceding sixty business days (VaRavg) x multiplication factor (mc)	-	136	-	139
2	**SVaR (higher of values a and b)**	**2,188**	**175**	**3,337**	**267**
(a)	Latest SVaR (sVaRt-1)	-	37	-	50
(b)	Average of the SVaR during the preceding sixty business days (sVaRavg) X multiplication factor (ms)	-	175	-	267
3	**Incremental risk charge - IRC (higher of values a and b)**	**1,451**	**116**	**1,849**	**148**
(a)	Most recent value	-	69	-	65
(b)	12-week average	-	116	-	148
4	**Comprehensive risk measure - CRM (highest of values a, b and c)**	**-**	**-**	**-**	**-**
(a)	Most recent value	-	-	-	-
(b)	12-week average	-	-	-	-
(c)	Floor level	-	-	-	-
5	**TOTAL**	**5,333**	**427**	**6,930**	**554**

VALUES RESULTING FROM THE USE OF INTERNAL MODELS

▶ Internal Model Approach (IMA) values for trading portfolios (MR3)

€ million		31.12.2020	31.12.2019
1	**VaR (10 days, 99%)**	**-**	**-**
2	Maximum value	47	39
3	Mean value	34	31
4	Minimum value	26	21
5	End of period value	28	30
6	**VaR in stressed period (10 days, 99%)**	**-**	**-**
7	Maximum value	68	75
8	Mean value	44	59
9	Minimum value	35	48
10	End of period value	37	50
11	**IRC capital requirement (99,9%)**	**-**	**-**
12	Maximum value	198	300
13	Mean value	89	114
14	Minimum value	53	47
15	End of period value	53	50
16	**CRM capital requirement (99,9%)**	**-**	**-**
17	Maximum value	-	-
18	Mean value	-	-
19	Minimum value	-	-
20	End of period value	-	-
21	Floor (standard measure method)	-	-

3.4.4.4 BACKTESTING OF THE VAR (MR4) METHOD

The Backtesting process of the VaR model (Value at Risk) which controls the relevance of the model, and the results of this Backtesting are present in Section 5 - Risk Management - of the document.

3.4.5 Global interest rate risk

The type of interest rate risk, the main underlying assumptions adopted and the frequency of interest rate risk measurements are described under “Risk management - Global interest rate risks”.

3.4.6 Operational risks

3.4.6.1 METHODOLOGY FOR CALCULATING EQUITY CAPITAL BY THE ADVANCED METHOD

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 scope of application of the advanced and standard approaches and a description of the advanced approach methodology are provided under “Risk management – Operational risks”.

3.4.6.2 RISK MITIGATION TECHNIQUES APPLIED TO OPERATIONAL RISK

The insurance techniques used to reduce operational risk are described in “Risk management – Operational risks Insurance and risk coverage” on page 190.

3.5 ENCUMBERED ASSETS

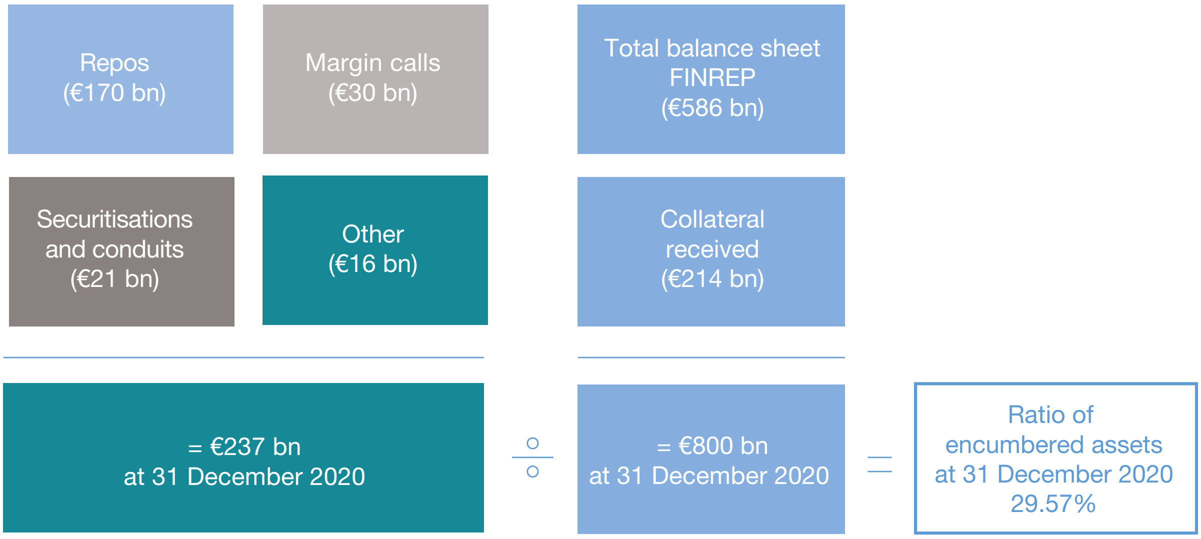
Crédit Agricole CIB monitors and manages the level of its assets pledged as collateral. At 31 December 2020, the ratio of encumbered assets to total assets was 29.57%.

On loans and receivables due from private clients, assets are pledged to obtain refinancing under advantageous conditions or to constitute reserves that can easily be made liquid if needed. Crédit Agricole CIB's policy seeks to both diversify the mechanisms used to increase its resistance to liquidity stresses that may affect given markets in a different manner and to limit the number of assets pledged as collateral in order to conserve high-quality unencumbered assets that can be easily liquidated through existing channels in the event of stress.

The other sources of collateral are mainly pledged securities and, on an ancillary basis, cash (mainly on margin calls):

- repos: outstandings of encumbered assets and collateral received and reused in connection with repos totalled €170 billion;
- margin calls: margin calls represent outstandings of €30 billion, primarily in connection with the OTC derivatives activity.

Use of encumbered assets and collateral received



Assets [(1)]

	31.12.2020							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	-	of which notionally eligible EHQLA and HQLA	-	of which notionally eligible EHQLA and HQLA	-	of which notionally eligible EHQLA and HQLA	-	of which notionally eligible EHQLA and HQLA
€ million	010	030	040	050	060	080	090	100
Assets of the reporting institution	**77,628**	**21,750**	**-**	**-**	**540,915**	**37,543**	**-**	**-**
Demand loans	77	-	-	-	61,242	-	-	-
Equity instruments	**1,284**	**0**	**1,284**	**0**	**5,591**	**0**	**4,466**	**-**
Debt securities	**17,920**	**17,198**	**17,929**	**17,207**	**45,287**	**33,775**	**49,595**	**36,721**
of which: covered bonds	8	8	41	20	801	795	803	797
of which: asset-backed securities	-	-	-	-	-	-	-	-
of which: issued by general governments	15,286	15,272	15,293	15,279	22,915	22,823	30,881	25,153
of which: issued by financial corporations	3,858	1,018	3,861	1,018	13,620	8,845	14,131	8,869
of which: issued by non-financial corporations	580	495	580	495	4,530	1,349	2,292	1,349
Loans and advances other than demand loans	**22,960**	**5,481**	**-**	**-**	**265,952**	**3,768**	**-**	**-**
of which: mortgage loans	-	-	-	-	3,520	-	-	-
Other assets	**32,502**	**-**	**-**	**-**	**151,060**	**-**	**-**	**-**

(1) The medians of the four end-of-quarter values over the previous 12-month period.

▶ Collateral received [1]

€ million		31.12.2020			
		-		Unencumbered	
		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
		-	of which notionally eligible EHQLA and HQLA	-	of which notionally eligible EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the reporting institution**	**161,521**	**158,770**	**44,279**	**28,140**
140	**Loans on demand**	**-**	**-**	**-**	**-**
150	**Equity instruments**	**1,266**	**-**	**7,153**	**0**
160	**Debt securities**	**160,279**	**158,770**	**37,277**	**28,140**
170	of which: covered bonds	1,087	1,064	230	224
180	of which: asset-backed securities	-	-	-	-
190	of which: issued by general governments	138,882	138,564	25,833	19,510
200	of which: issued by financial corporations	17,637	16,760	9,696	7,033
210	of which: issued by non-financial corporations	4,012	3,699	2,162	1,919
220	**Loans and advances other than loans on demand**	**-**	**-**	**-**	**-**
230	**Other collateral received**	**-**	**-**	**-**	**-**
240	**Own debt securities issued other than own covered bonds or asset-backed securities**	**-**	**-**	**-**	**-**
250	**Total assets, collateral received and own debt securities issued**	**235,540**	**175,062**	**-**	**-**

▶ Encumbered assets/Securities received and associated liabilities [1]

€ million		31.12.2020	
		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and asset-backed securities encumbered
010	**Carrying amount of selected financial liabilities**	**336,318**	**228,121**
020	Derivatives	118,317	30,706
040	Deposits	207,820	195,833
090	Debt securities issued	500	499
170	**Total sources of encumbered assets**	**336,318**	**235,540**

(1) On a quarterly basis, mediane of the 4 end of period values over the previous 12 month period.

3.6 LIQUIDITY COVERAGE RATIO

3.6.1 Quantitative information

Scope of consolidation (solo/consolidated)		Total unweighted value (average)				Total weighted value (average)			
€ million		31.12.2020	30.09.2020	30.06.2020	31.03.2020	31.12.2020	30.09.2020	30.06.2020	31.03.2020
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)	-	-	-	-	97,605	102,320	117,344	92,090
Cash outflows									
2	Retail deposits and deposits from small business clients, of which:	13,027	12,850	12,875	13,040	1,932	1,906	1,910	1,935
3	Stable deposits	-	-	-	-	-	-	-	-
4	Less stable deposits	13,027	12,850	12,875	13,040	1,932	1,906	1,910	1,935
5	Unsecured wholesale funding	117,884	126,520	140,535	131,568	58,706	63,617	71,624	70,625
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	25,990	26,359	30,944	25,745	6,498	6,590	7,736	6,436
7	Non-operational deposits (all counterparties)	87,878	93,605	101,573	99,103	48,192	50,471	55,870	57,469
8	Unsecured debt	4,016	6,556	8,018	6,720	4,016	6,556	8,018	6,720
9	Secured wholesale funding	-	-	-	-	13,843	17,998	14,086	13,263
10	Additional requirements	127,857	127,486	127,819	120,102	32,607	33,002	32,395	32,705
11	Outflows related to derivative exposures and other collateral requirements	9,729	10,509	10,221	14,587	6,731	6,851	6,893	7,757
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	118,128	116,977	117,598	105,515	25,876	26,151	25,502	24,948
14	Other contractual funding obligations	35,403	32,258	29,274	27,755	1,745	1,335	739	766
15	Other contingent funding obligations	49,988	47,410	47,233	46,689	2,689	2,560	2,552	2,524
16	**Total cash outflows**	**-**	**-**	**-**	**-**	**111,521**	**120,418**	**123,305**	**121,818**
Cash inflows									
17	Secured lending (e.g. reverse repos)	120,031	125,304	105,380	129,768	5,861	4,750	4,204	10,571
18	Inflows from fully performing exposures	38,648	23,478	22,351	33,513	32,718	18,299	15,546	27,116
19	Other cash inflows	2,680	2,188	1,294	7,326	2,680	2,188	1,294	7,326
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**	**161,359**	**150,969**	**129,024**	**170,607**	**41,260**	**25,236**	**21,044**	**45,012**
EU-20a	**Fully exempt inflows**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EU-20b	**Inflows subject to 90% cap**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EU-20c	**Inflows subject to 75% cap**	**160,674**	**150,969**	**129,024**	**150,869**	**46,791**	**30,636**	**26,021**	**45,012**
									Total adjusted value
21	Liquidity buffer	-	-	-	-	97,605	102,320	117,344	92,090
22	Total net cash outflows	-	-	-	-	64,731	89,782	97,284	76,806
23	Liquidity coverage ratio (%)	-	-	-	-	150.79%	113.96%	120.62%	119.90%

3.6.2 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. He/she 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 €3.7 billion before haircut at 31 December 2020).

3.7 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.

3.8 CROSS-REFERENCE TABLES

EDTF Cross-reference table

			2020 Universal Registration Document			
		Recommendation	Management report and other	Risk factors and Risk management	Pillar 3	Consolidated financial statements
Introduction	1	Cross-reference table			P. 276	
	2	Risk terminology and management, key parameters used		P. 144 to 194	P. 222 and P. 242 to 250	P. 291 to 308, 312 to 339
	3	Presentation of main risks and/or emerging risks		P. 144 to 194		P. 297 to 302
	4	New solvency regulatory framework and Group targets			P. 199 to 203	
Governance and risk management strategy	5	Organisation of risk control and management	P. 85 to 87	P. 153 to 167		
	6	Risk management strategy and implementation	P. 85 to 87	P. 144 to 194, P. 158 to 167	P. 200 to 214	
	7	Risk mapping by business line				
	8	Governance and management of internal credit and market stress testing		P. 156 to 166, P. 172 to 173	P. 199	
Capital Requirements and risk-weighted assets	9	Minimal capital requirements			P. 200 to 203	
	10a	Breakdown of composition of capital			P.205 to 207	
	10b	Reconciliation of the balance sheet and prudential balance sheet and accounting equity and regulatory			P. 199 to 207, 213	
	11	Changes in regulatory capital			P.205 to 207	
	12	Capital trajectory and CRD 4 ratio objectives			P. 200 to 214	
	13	Risk-weighted assets by type of risk			P. 220 to 241	
	14	Risk-weighted assets and capital requirements by method and type of exposure			P. 220 to 241	
	15	Credit risk exposure by category and internal ratings		P. 167 to 171, 175	P. 222 to 260	
	16	Changes in risk-weighted assets by type of risk			P. 220 to 221	
	17	Description of backtesting models and their reliability		P. 168 and 179 to 181	P. 251	
Liquidity	18	Liquidity management		P. 187 to 188	P. 273 to 274	
	19	Encumbered assets			P. 271 to 272	
	20	Breakdown of financial assets and liabilities by contractual maturity				P. 332 to 334, 372
	21	Management of liquidity and funding risk		P. 187 to 188	P. 273 to 274	
Market risks	22 to 24	Market risk measurement		P. 178 to 186	P. 268 to 269	P. 291 to 308, P. 299 to 302, P. 328 to 332, P. 379 to 388
	25	Market risk management techniques		P. 178 to 186		
Credit risk	26	Maximum exposure, breakdown and diversification of credit risks		P. 167 to 178	P. 222 to 260	P. 312 to 339
	27 and 28	Provisioning and risk hedging policy		P. 176 to 177		P. 291 to 308, 343
	29	Derivative instruments: notional, counterparty risk, offsetting		P. 167 to 178, P. 176 to 177, P. 173, P. 188	P. 252 to 260	P. 299 to 302, P. 328 to 332, P. 360 to 361, P. 382
	30	Credit risk mitigation mechanisms		P. 173	P. 258 to 260	P. 378
Operational and legal risks	31	Other risks: insurance sector, operational, legal, IT systems, business continuity plans	P. 85 to 87	P 144 to 152, P. 185 to 192		
	32	Stated risks and on-going actions with respect to operational and legal risks		P 189 to 194		P. 366 to 368

▶ **Pillar 3 cross-reference table (CRR AND CRD IV)**

Article CRR	Theme	2020 Universal Registration Document	Pages
90 (CRD IV)	Return on assets	Undisclosed information	
435 (CRR)	1. Risk management objectives and policies	Presentation of Committees – Corporate governance Organisation of the Risk function Risk Committee	P. 86 to 88 P. 153 to 157
436 (a) (b)	2. Scope of application	Pillar 3 Financial statements Note 13	P. 200, 213 and 215 P. 389 to 392
436 (c) (d) (e) (CRR)	2. Scope of application	Undisclosed information	
437 (CRR)	3. Own funds	Reconciliation of accounting and regulatory capital Deeply subordinated notes and preferred shares	P. 207 https://www.ca-cib.com/about-us/financial-information/regulated-information in Appendix II "Main features of capital instruments."
438 (CRR)	4. Capital requirements	Risk weighted assets by type of risk and evolution	P. 220 to 221
439 (CRR)	5. Exposure to counterparty credit risk	Overview - Exposure by type of risk Credit risk Counterparty risk	P. 222 to 260
440 (CRR)	6. Capital buffers	Pillar 1 and 2 minimum capital requirements and exposures by geographic area	P. 200 to 201 P. 225 to 226
441 (CRR)	7. Indicators of global systemic importance	N/A	
442 (CRR)	8. Credit risk adjustments	Credit and counterparty risk mitigation techniques	P. 232 to 241
443 (CRR)	9. Encumbered assets	Encumbered assets	P. 271 to 272
444 (CRR)	10. Use of ECAIs	Insurance providers	P. 259 to 260
445 (CRR)	11. Exposure to market risk	Exposure to the trading book's market risk	P. 268 to 269
446 (CRR)	12. Operational risk	Operational risks	P. 189 to 194 and P. 270
447 (CRR)	13. Exposures in equities not included in the trading book	Exposures to equities included in the banking book	P. 222 to 223, P. 260
448 (CRR)	14. Exposures to interest rate risk on positions not included in the trading book	Global interest rate risk – Risk management	P. 164, 185 to 186 and P. 270
449 (CRR)	15. Exposure to securitisation positions	Securitisation - Pillar 3	P. 261 to 268
450 (CRR)	16. Compensation policy	Compensation policy - Corporate governance (chapter. 3)	P. 103 to 108 and P. 274
451 (CRR)	17. Leverage	Leverage ratio	P. 208 to 210
452 (CRR)	18. Use of the IRB Approach for credit risk	Credit risk under IRB approach	P. 245 to 251
453 (CRR)	19. Use of credit risk mitigation techniques	Credit risk mitigation mechanism	P. 173 to 174, P. 258 to 260
454 (CRR)	20. Use of the Advanced Measurement approaches for operational risk	Operational risks	P. 189 to 194 and P. 270
455 (CRR)	21. Use of internal market risk models	Capital requirements for exposures under the internal models' approach	P. 268 to 269

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CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020

Approved by the Board of Directors on February 9th 2021 and submitted for approval by the Ordinary General Meeting of 3th May 2021

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1,341 M€

NET INCOME GROUP SHARE

22,484 M€

TOTAL EQUITY

5,934 M€

NET BANKING INCOME

6

593,890 M€

TOTAL ASSETS

121

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

REGISTERED WITH THE NANTERRE

Trade and Companies Registry under number 304 187 701.

NAF CODE:

6419 Z (APE)

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 Algérie SPA [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 Wealth (Group) [100%]
- CA Indosuez Wealth (France) and subsidiaries [100%]
- CA Indosuez (Switzerland), subsidiaries and branches [100%]
- CA Indosuez Wealth (Europe), subsidiaries and branches [100%]
- CA Indosuez Wealth (Brazil) DTVM [100%]
- CFM Indosuez Wealth [70%]
- AZQORE [80%]

1.3. GROUP AFFILIATION MECHANISM

A mutualist banking group

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, as well as affiliate members Crédit Agricole CIB and BforBank (the “Network”).

As the central body of the Crédit Agricole Network, as defined in Article R. 512-18 of the French Monetary and Financial Code, Crédit Agricole S.A. oversees, in accordance with the provisions of the French Monetary and Financial Code (Articles L. 511-31 and L. 511-32) the cohesion of the Crédit Agricole Network, the sound operation of its constituent credit institutions, and compliance with applicable laws and regulations, by exercising administrative, technical and financial control over said institutions. To that end, Crédit Agricole S.A. may take any necessary measures, including in particular to ensure the liquidity and solvency of the Network as a whole, and of each of its affiliate institutions.

Crédit Agricole’s internal relations

Coverage 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, shall take any necessary measures to ensure the liquidity and solvency of each institution affiliated with the Network, 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 mechanism.

The general provisions of the French Monetary and Financial Code are transposed into internal provisions setting out the operational measures required for this legal internal financial solidarity mechanism.

For the purposes of Crédit Agricole S.A.’s IPO, CNCA (now Crédit Agricole S.A.) entered into a Memorandum of Understanding in 2001 with the Regional Banks aimed in particular at governing internal relations in the Crédit Agricole Network. This MoU established a Fund for Bank Liquidity and Solvency Risks (*Fonds pour Risques Bancaires de Liquidité et de Solvabilité* – FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any Network member that may be experiencing difficulties. The main provisions of the MoU are detailed in Chapter III of the Crédit Agricole S.A. Registration Document filed with the *Commission des Opérations de Bourse* on 22 October 2001 under number R. 01-453.

The European banking crisis resolution system was adopted in 2014 via Directive (EU) 2014/59 (“BRRD”), transposed into French law by Ministerial Order 2015-1024 of 20 August 2015, which also adapted French law to the provisions of European Regulation 806/2014 of 15 July 2014 having established the rules and a uniform procedure for the resolution of credit institutions in accordance with a single resolution mechanism and a single resolution fund. Directive (EU) 201/879 of 20 May 2019 (“BRRD2”) amended the BRRD and was transposed by Ministerial Order 2020-1636 of 21 December 2020.

The purpose of this system, which contains measures aimed at preventing and resolving banking crises, is to preserve financial stability, to ensure the continuity of businesses, services and transactions conducted by institutions whose default would have major adverse impacts on the economy, to protect depositors, and to prevent or limit use of public financial support as much as possible. Under this system, the European resolution authorities, including the Single Resolution Board, are vested with very broad powers to take any necessary measures for the resolution, in part or in whole, of a credit institution or the group to which it belongs.

For cooperative banking groups, the extended SPE (single point of entry) resolution strategy is preferred by the resolution authorities, under which the resolution mechanism would be applied simultaneously to Crédit Agricole S.A. and its affiliate entities. To that end, and in the event the Crédit Agricole S.A. Group goes into resolution, the scope of operations consisting of Crédit Agricole S.A. (as the central body) and the affiliate entities would be taken together as the extended SPE. In light of the preceding and the Network’s existing solidarity mechanisms, a member of the Crédit Agricole Network cannot be individually placed in resolution.

The resolution authorities may initiate a resolution proceeding against a credit institution where it finds that: the institution is considered as failing or likely to fail; there is no reasonable prospect that any alternative private sector or supervisory action would prevent the failure of the institution within reasonable timeframe, a resolution action is necessary and a liquidation proceeding would be insufficient to achieve the aforementioned objectives sought by resolution.

The resolution authorities may use one or more resolution instruments, as described above, with the aim of recapitalising or restoring the viability of the institution. The resolution instruments should be implemented in a way that ensures that holders of capital instruments (equities, cooperative shares, cooperative investment certificates and cooperative member certificates)bear the losses first, followed by other creditors, where they are not excluded from the bail-in mechanism by regulations or a ruling by the resolution authorities. French law also provides for a protection measure when certain resolution instruments or measures are implemented, such as the principle under which holders of capital instruments and creditors of a bank in resolution cannot bear heavier losses than they would have incurred if the bank had been liquidated via a court-ordered liquidation proceeding governed by the French Commercial Code (NCWOL principle covered by Article L. 613-57.1 of the CMF). Investors are thus entitled to claim compensation if they are subject to less favourable treatment than they would have experienced if the institution had undertone a normal insolvency proceeding.

In the event the resolution authorities decide to place the Crédit Agricole Group in resolution, they would first lower the nominal value of CET1 instruments (equities, cooperative shares, cooperative investment certificates, cooperative member certificates), AT1 instruments and AT2 instruments in order to absorb the losses, then, where applicable, would convert AT1 and AT2 instruments into capital instruments[1]. Next, if the resolution authorities decided to use the bail-in resolution tool, they could apply it to debt instruments[2], i.e. they could decide to fully or partially impair them or convert them into capital instruments to further absorb losses.

The resolution authorities may decide to implement a coordinated series of capital instrument write-down or conversion measures and, where applicable, a bail-in mechanism, targeting the central body and all affiliate entities. In such case, these write-down or conversion measures (and bail-in, where applicable) would apply

(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.

to all entities in the Crédit Agricole Network, irrespective of the entity in question and the origin of the losses.

The ranking of creditors in resolution is defined by the provisions of Article L. 613-55-5 of the CMF, in force at the resolution implementation date.

Holders of capital instruments and creditors of the same rank or enjoying identical rights in a liquidation would thus be treated equally as the group entity of which they are creditors.

The scope of the bail-in, also aimed at recapitalising the Crédit Agricole S.A Group, is based on consolidated capital requirements.

Investors should thus be aware that holders of equities, cooperative shares, cooperative investment certificates and cooperative member certificates, and holders of debt instruments issued by a member of the network, are exposed to significant risk of losing their investment in the event a bank resolution proceeding is initiated against the Group, regardless of the entity serving as creditor.

The other bank resolution tools available to the resolution authorities mainly include the total or partial disposal of the institution's operations to a third party or to a relay institution, and the segregation of the institution's assets.

This resolution system does not call into question the legal internal financial solidarity mechanism provided for in Article L. 511-31 of the CMF, applied to the Crédit Agricole Network, as defined by Article R. 512-18 of said Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution mechanism.

Application of the resolution proceeding to the Crédit Agricole Group implies that the legal internal solidarity mechanism would not resolve the default of one or more Network entities, and thus the default of the Network as a whole.

1.4. RELATED PARTIES

Parties related to Crédit Agricole CIB are companies of the Crédit Agricole Group and companies of the Crédit Agricole CIB Group that are fully or proportionately consolidated, and the senior executives of the Group.

Relations with the Crédit Agricole Group

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)	31.12.2020
Assets	
Loans and advances	18,017
Derivatives financial instruments held for trading	25,411
Liabilities	
Accounts and deposits	45,869
Derivatives financial instruments held for trading	24,220
Subordinated debts	4,352
Preferred shares	
Financing and guarantee commitments	
Other guarantees given	859
Counter-guarantees received	2,340
Other guarantees received	-
Refinancing agreements received	-

Outstanding on loans and unsettled accounts represent the cash flow between Crédit Agricole CIB and the Crédit Agricole Group.

Outstandings on derivative instruments held for trading mainly represent Crédit Agricole Group interest rate hedging transactions arranged by Crédit Agricole CIB in the market.

CACIB, which has been 99.9%-owned by the Crédit Agricole Group since 27 December 1996, and some of its subsidiaries are part of Crédit Agricole S.A.'s tax consolidation group.

Accordingly, Crédit Agricole S.A. compensates the Crédit Agricole CIB sub-group for any potential tax losses, which are charged against the Crédit Agricole Group's taxable income.

Relations between consolidated companies of the Crédit Agricole CIB Group

A list of the Crédit Agricole CIB Group's consolidated companies can be found in Note 12.

Transactions realised between two fully consolidated entities are fully eliminated.

Outstandings at year-end between fully consolidated companies and equity-consolidated companies are not eliminated in the Group's consolidated financial statements.

At 31 December 2020, the non-netted and off-balance sheet outstandings reported by Crédit Agricole CIB and its affiliate UBAF were:

Outstandings (€ million)	31.12.2020
Assets	
Loans and advances	-
Derivatives financial instruments held for trading	1
Liabilities	
Accounts and deposits	4
Derivatives financial instruments held for trading	16
Financing and guarantee commitments	
Other guarantees given	25
Counter-guarantees received	-

Relations with senior management

Detailed information on senior management compensation is provided in Note 7.7 "Executive compensation".

2. CONSOLIDATED FINANCIAL STATEMENTS

2.1. INCOME STATEMENT

In millions of euros	Notes	31.12.2020	31.12.2019
Interest and similar income	4.1	5,310	6,984
Interest and similar expenses	4.1	(2,127)	(4,288)
Fee and commission income	4.2	1,603	1,547
Fee and commission expenses	4.2	(664)	(708)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	1,738	1,832
Net gains (losses) on held for trading assets/liabilities	-	1,881	3,503
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	-	(143)	(1,671)
Net gains (losses) on financial instruments at fair value through other comprehensive income	4.4	35	88
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss	-	-	1
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	-	35	87
Net gains (losses) arising from the derecognition of financial assets at amortised cost	4.5	7	(17)
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	99	79
Expenses on other activities	4.6	(67)	(58)
Revenues	-	**5,934**	**5,459**
Operating expenses	4.7	(3,284)	(3,226)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.8	(215)	(196)
Gross operating income	-	**2,435**	**2,037**
Cost of risk	4.9	(856)	(165)
Operating income	-	**1,579**	**1,872**
Share of net income of equity-accounted entities	-	-	4
Net gains (losses) on other assets	4.10	4	51
Change in value of goodwill	-	-	-
Pre-tax income	-	**1,583**	**1,927**
Income tax charge	4.11	(209)	(355)
Net income from discontinued operations	-	(25)	-
Net income	-	**1,349**	**1,572**
Non-controlling interests	-	8	19
NET INCOME GROUP SHARE	-	**1,341**	**1,553**
Earnings per share (in euros) [1]	6.17	3.70	4.46
Diluted earnings per share (in euros) [1]	6.17	3.70	4.46

[1] *Corresponds to income including net income from discontinued operations.*

2.2. NET INCOME AND OTHER COMPREHENSIVE INCOME

In millions of euros	Notes	31.12.2020	31.12.2019
Net income	-	**1,349**	**1,572**
Actuarial gains and losses on post-employment benefits	4.12	(39)	(90)
Other comprehensive income on financial liabilities attributable to changes in own credit risk [1]	4.12	(148)	(67)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss [1]	4.12	(142)	36
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	4.12	**(329)**	**(121)**
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	**85**	**45**
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	**(244)**	**(76)**
Gains and losses on translation adjustments	4.12	(486)	129
Other comprehensive income on debt instruments that may be reclassified to profit or loss	4.12	22	3
Gains and losses on hedging derivative instruments	4.12	223	229
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	4.12	**(241)**	**361**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	4.12	**-**	**(3)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	4.12	**(23)**	**(80)**
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	**(268)**	**278**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	4.12	**(512)**	**202**
NET INCOME AND OTHER COMPREHENSIVE INCOME	-	**837**	**1,774**
Of which Group share	-	830	1,757
Of which non-controlling interests	-	7	17

[1] *Amount of items that will not be reclassified in profit and loss transferred to reserves (cf Note 4.12).*

6

2.3. BALANCE SHEET ASSETS

In millions of euros	Notes	31.12.2020	31.12.2019
Cash, central banks	6.1	54,435	58,257
Financial assets at fair value through profit or loss	3.1-6.2-6.6.6.7	284,415	249,790
Financial assets held for trading	-	284,101	249,068
Other financial instruments at fair value through profit or loss	-	314	722
Hedging derivative Instruments	3.1-3.2-3.4	1,503	1,550
Financial assets at fair value through other comprehensive income	3.1-6.4-6.6-6.7	11,311	9,641
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	11,042	8,883
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	-	269	758
Financial assets at amortised cost	3.1-3.3-6.5-6.6-6.7	203,632	197,440
Loans and receivables due from credit institutions	-	26,742	15,996
Loans and receivables due from customers	-	142,000	143,864
Debt securities	-	34,890	37,580
Revaluation adjustment on interest rate hedged portfolios	-	-	1
Current and deferred tax assets	6.10	964	1,117
Accruals, prepayments and sundry assets	6.11	34,789	32,541
Non-current assets held for sale and discontinued operations	-	523	-
Investments in equity-accounted entities	6.12	-	-
Investment property	-	2	1
Property, plant and equipment	6.13	892	999
Intangible assets	6.13	381	362
Goodwill	6.14	1,043	1,044
TOTAL ASSETS	-	**593,890**	**552,743**

2.4. BALANCE SHEET LIABILITIES

In millions of euros	Notes	31.12.2020	31.12.2019
Central banks	6.1	837	1,812
Financial liabilities at fair value through profit or loss	6.2	274,228	254,776
Held for trading financial liabilities	-	250,169	224,789
Financial liabilities designated at fair value through profit or loss	-	24,059	29,987
Hedging derivative Instruments	3.2-3.4	1,709	1,334
Financial liabilities at amortised cost	6.8	252,763	235,289
Due to credit institutions	3.3-6.8	61,450	44,646
Due to customers	3.1-3.3-6.8	149,084	133,352
Debt securities	3.2-3.3-6.8	42,229	57,291
Revaluation adjustment on interest rate hedged portfolios	-	95	37
Current and deferred tax liabilities	6.10	2,123	2,393
Accruals, prepayments and sundry liabilities	6.11	33,293	28,543
Liabilities associated with non-current assets held for sale and discontinued operations	-	451	-
Insurance compagny technical reserves	-	8	8
Provisions	6.15	1,426	1,422
Subordinated debt	6.16	4,351	4,982
Total Liabilities	-	**571,284**	**530,596**
Equity	-	**22,606**	**22,147**
Equity - Group share	-	**22,484**	**22,032**
Share capital and reserves	-	14,074	13,574
Consolidated reserves	-	7,202	6,527
Other comprehensive income	4.12	(133)	378
Other comprehensive income on discontinued operations	-	-	-
Net income (loss) for the year	-	1,341	1,553
Non-controlling interests	-	**122**	**115**
TOTAL LIABILITIES AND EQUITY	-	**593,890**	**552,743**

2.5. STATEMENT OF CHANGES IN EQUITY

	Group share									
	Share and capital reserves					Other comprehensive income				
In millions of euros	Share capital	Share premium and consolidated reserves [1]	Elimination of treasury shares	Other equity instruments	Total capital and consolidated reserves	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	Net income	Total equity
Equity at 1st January 2019	**7,852**	**9,365**	**-**	**2,917**	**20,134**	**536**	**(362)**	**174**	**-**	**20,308**
Capital increase	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-	-	-	-	-
Issuance of equity instruments	-	-	-	714	714	-	-	-	-	714
Remuneration of undated deeply subordinated notes	-	-	-	(257)	(257)	-	-	-	-	(257)
Dividends paid in 2019	-	(489)	-	-	(489)	-	-	-	-	(489)
Impact of acquisitions/disposals on non-controlling interests	-	(1)	-	-	(1)	-	-	-	-	(1)
Changes due to share-based payments	-	-	-	-	-	-	-	-	-	-
Changes due to transactions with shareholders	**-**	**(490)**	**-**	**457**	**(33)**	**-**	**-**	**-**	**-**	**(33)**
Changes in other comprehensive income	**-**	**32**	**-**	**-**	**32**	**282**	**(75)**	**207**	**-**	**239**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	42	-	-	42	-	(42)	(42)	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	(7)	-	-	(7)	-	7	7	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	(3)	-	(3)	-	(3)
Net income for 2019	-	-	-	-	-	-	-	-	1,553	1,553
Other variations	-	(32)	-	-	(32)	-	-	-	-	(32)
Equity at 31 December 2019	**7,852**	**8,875**	**-**	**3,374**	**20,101**	**815**	**(437)**	**378**	**1,553**	**22,032**
Appropriation of 2019 net income	-	1,553	-	-	1,553	-	-	-	(1,553)	-
Equity at 1st January 2020	**7,852**	**10,428**	**-**	**3,374**	**21,654**	**815**	**(437)**	**378**	**-**	**22,032**
Impacts of new accounting standards	-	-	-	-	-	-	-	-	-	-
Equity at 1st January 2020 Restated	**7,852**	**10,428**	**-**	**3,374**	**21,654**	**815**	**(437)**	**378**	**-**	**22,032**
Capital increase	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-	-	-	-	-
Issuance of equity instruments	-	-	-	500	500	-	-	-	-	500
Remuneration of undated deeply subordinated notes	-	-	-	(264)	(264)	-	-	-	-	(264)
Dividends paid in 2020	-	(512)	-	-	(512)	-	-	-	-	(512)
Dividends received from Regional Banks and subsidiaries	-	-	-	-	-	-	-	-	-	-
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 [1]	-	(89)	-	-	(89)	-	-	-	-	(89)
EQUITY AT 31 DECEMBER 2020	**7,852**	**9,814**	**-**	**3,610**	**21,276**	**547**	**(680)**	**(133)**	**1,341**	**22,484**

[1] Refer in particular to the revision in financial year 2020 of i) the Day One calculation method on the non-linear scope net of deferred taxes and ii) the reclassification of tax effects on the net investment hedge of a foreign operation (NIH) under net income and other comprehensive income that may be reclassified to profit or loss.

	Non-controlling interests					
		Other comprehensive income				
In millions of euros	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 2019	**119**	**2**	**(3)**	**(1)**	**118**	**20,426**
Capital increase	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-
Issuance of equity instruments	-	-	-	-	-	714
Remuneration of undated deeply subordinated notes	-	-	-	-	-	(257)
Dividends paid in 2019	(8)	-	-	-	(8)	(497)
Impact of acquisitions/disposals on non-controlling interests	(8)	-	-	-	(8)	(9)
Changes due to share-based payments	-	-	-	-	-	-
Changes due to transactions with shareholders	**(16)**	**-**	**-**	**-**	**(16)**	**(49)**
Changes in other comprehensive income	**-**	**(1)**	**(1)**	**(2)**	**(2)**	**237**
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	-	-	-	-	-	(3)
Net income for 2019	19	-	-	-	19	1,572
Other variations	(4)	-	-	-	(4)	(36)
Equity at 31 December 2019	**118**	**1**	**(4)**	**(3)**	**115**	**22,147**
Appropriation of 2019 net income	-	-	-	-	-	-
Equity at 1st January 2020	**118**	**1**	**(4)**	**(3)**	**115**	**22,147**
Impacts of new accounting standards	-	-	-	-	-	-
Equity at 1st January 2020 Restated	**118**	**1**	**(4)**	**(3)**	**115**	**22,147**
Capital increase	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-
Issuance of equity instruments	-	-	-	-	-	500
Remuneration of undated deeply subordinated notes	-	-	-	-	-	(264)
Dividends paid in 2020	-	-	-	-	-	(512)
Dividends received from Regional Banks and subsidiaries	-	-	-	-	-	-
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 [1]	-	-	-	-	-	(89)
EQUITY AT 31 DECEMBER 2020	**126**	**1**	**(5)**	**(4)**	**122**	**22,606**

[1] *Refer in particular to the revision in financial year 2020 of i) the Day One calculation method on the non-linear scope net of deferred taxes and ii) the reclassification of tax effects on the net investment hedge of a foreign operation (NIH) under net income and other comprehensive income that may be reclassified to profit or loss.*

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 included in full within operating activities.

Investment activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic equity investments recorded under "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 impact of cash inflows and outflows associated with other comprehensive income and long-term financing.

Net **cash flows** attributable to operating, investment and financing activities from **discontinued operations** are recorded under separate headings in the cash flow statement.

Net cash and cash equivalents include cash, debit and credit balances with central banks, and debit and credit balances on current accounts and demand loans with banks.

In millions of euros	Notes	31.12.2020	31.12.2019
Pre-tax income	-	**1,583**	**1,927**
Net depreciation and impairment of property, plant & equipment and intangible assets	-	214	196
Impairment of goodwill and other fixed assets	-	-	-
Net addition to provisions	-	993	218
Share of net income of equity-accounted entities	-	-	(4)
Net income (loss) from investment activities	-	(1)	(52)
Net income (loss) from financing activities	-	164	242
Other movements	-	4,423	(265)
Total non-cash and other adjustment items included in pre-tax income	-	**5,793**	**335**
Change in interbank items	-	9,145	696
Change in customer items	-	13,345	(2,782)
Change in financial assets and liabilities	-	(29,998)	8,092
Change in non-financial assets and liabilities	-	2,654	105
Dividends received from equity-accounted entities	-	-	1
Tax paid	-	(290)	(324)
Net change in assets and liabilities used in operating activities	-	(5,144)	5,788
Cash provided (used) by discontinued operations	-	23	-
Total net cash flows from (used by) operating activities (A)	-	**2,255**	**8,050**
Change in equity investments [1]	-	34	980
Change in property, plant & equipment and intangible assets	-	(136)	(226)
Cash provided (used) by discontinued operations	-	-	-
Total net cash flows from (used by) investment activities (B)	-	**(102)**	**754**
Cash received from (paid to) shareholders [2]	-	(256)	(40)
Other cash provided (used) by financing activities [3]	-	(627)	1,497
Cash provided (used) by discontinued operations	-	4	-
Total net cash flows from (used by) financing activities (C)	-	**(879)**	**1,457**
Impact of exchange rate changes on cash and cash equivalent (D)	-	**(1,169)**	**1,154**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)	-	**105**	**11,415**
Cash and cash equivalents at beginning of period	-	**53,564**	**42,149**
Net cash accounts and accounts with central banks *	-	56,438	45,646
Net demand loans and deposits with credit institutions **	-	(2,874)	(3,497)
Cash and cash equivalents at end 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)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	**105**	**11,415**

** 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".

[2] Cashflows from or for shareholders: it includes the payment of Crédit Agricole CIB dividends to Crédit Agricole S.A. for -€512 million, an AT1 subscribed by Crédit Agricole S.A for +€500 million and a payment of interest under the AT1 issue of -€264 million.

[3] Other net cashflows from funding activities: in 2020 an AT2 has been issued for €1,588 million, a AT2 call has been exercised for €-1,536 million, and a TSS call for €-455 million.

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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 2020 and as adopted by the European Union (carve-out version), using certain exceptions in the application of IAS 39 on macro-hedge accounting.

The financial reporting standards are available on the European Commission website at: 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 2019.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2020 with mandatory first-time application for financial year 2020.

They cover the following:

Standards, amendments or interpretations	Applicable in the Group	Date of first-time application: financial years beginning on or after
Amendment to references to the Conceptual Framework in IFRS standards	Yes	1 January 2020
IAS1/IAS 8 "Presentation of Financial Statements" Definition of material	Yes	1 January 2020
Amendment to IFRS 9, IAS 39 and IFRS 7 "Financial instruments" Interest Rate Benchmark Reform – Phase 1	Yes	1 January 2020 [1]
Amendment to IFRS 3 "Business Combinations" Definition of a Business	Yes	1 January 2020
Amendment to IFRS 16 "Leases" Covid-19-Related Rent Concessions	Yes	1 January 2020

[1] The Group decided to early apply the amendment to IFRS 9, IAS 39 and IFRS 7 "Financial Instruments" on the interest rate benchmark reform as from 1 January 2019.

The first-time application of these amendments had no material impact on the results or net position for the period.

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1.1.1 AMENDMENT TO IFRS 16 "LEASES" – "COVID-19-RELATED RENT CONCESSIONS"

The amendment to IFRS 16 "Leases" covers Covid-19-related rent concessions and allows the lessee not to account for rent concessions directly related to Covid-19 as variable lease payments in profit or loss without a prior analysis to determine that the concessions were not a result of lease modifications within the meaning of IFRS 16. However, Crédit Agricole CIB did not benefit from this amendment as a lessee in 2020.

Furthermore, as long as the early application of standards and interpretations adopted by the European Union is optional for a period, the Group does not apply them, unless otherwise stated.

This in particular applies to:

Standards, amendments or interpretations	Applicable in the Group	Date of mandatory first-time application: financial years beginning on or after
Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	Yes	1 January 2021 [1]

[1] The Group decided to early apply the amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 on the interest rate benchmark reform – Phase 2 from 1 January 2020.

1.1.2 INTEREST RATE BENCHMARK REFORMS

The interest rate benchmark reforms, often referred to as "IBOR reforms" entered a new phase with the very gradually development of the use of risk-free rates (RFRs) in new contracts. Practices still vary depending on the currency as asset class. At this point, a higher increase in transaction volumes has been observed in the derivative markets, particularly with the use of the SONIA benchmark. Conversely, liquidity on the €STR markets is less developed.

For a large percentage of existing contracts using benchmarks that are set to be replaced, it is now considered that the replacement rates will be a combination of term rates (predetermined or post-determined) calculated using RFRs and a spread adjustment (aimed at ensuring economic equivalence with the replaced benchmark). Despite this predominant trend, at this point, the adoption of RFRs and the limited number of contracts renegotiated to update replacement clauses (referred to as fallbacks) or to proactively replace the benchmark rate reflect varying levels of maturity in the detailed definition of transition measures - including conventions - depending on the currency and asset class. Information system developments, which depend on precise definitions of target replacement benchmark to be finalised, are still in progress.

The private sector is on the front line of these transitions; however, recent announcements point to the possible intervention of the authorities aimed at supporting transitions for scopes of contracts that could not be renegotiated in time, whether to replace the benchmark rate in preparation for the discontinuation of certain indices or to introduce robust fallback clauses paving the way for a transition to their discontinuation. Nevertheless, without an ex-ante definition of scopes of contracts eligible for such support, preparation for transition plans are moving forward. Furthermore, proactive preparatory transitions are still significantly encouraged by certain authorities, such as the UK's Financial Conduct Authority (FCA).

Specifically for the scope of derivative contracts, and by extension for the scope of repo and securities borrowing/lending contracts, the ISDA finalised the implementation of a protocol that will automatically allow new fallback clauses to be included. This protocol will simplify the transition of derivative contracts between contracting parties. No such protocol exists for other non-derivative instruments, and multiple bilateral renegotiations will be necessary.

Through its Benchmarks project, Crédit Agricole is overseeing the benchmark transition while incorporating the recommendations of national working groups and the milestones defined by the authorities, starting with the FCA. The project thus aims to reflect the standards defined by marketplace authorities. The timetable of the transition project is centred on the phases of adoption and proposal of alternative benchmarks and dates of formal discontinuation of benchmarks slated for elimination. The transition plans finalised by each entity of the Crédit Agricole Group, incorporating the latest conclusions of the working groups and market associations, and where applicable any classifications regarding the potential intervention of the authorities, will be implemented in 2021.

Steps have already been initiated for the transition from the EONIA to the €STR (by 3 January 2022 at the latest). For collateral remuneration purposes, clearing houses have shifted from using the EONIA to the €STR. Interest payments based on the €STR are making very slow progress. Furthermore, the EURIBOR - like any benchmark index - is liable to see its methodology change or ultimately be replaced. However, the scenario of the short-term replacement of the EURIBOR similar to the LIBOR transition timetable is not being considered at this stage.

As it stands, the list of main benchmarks used by the Crédit Agricole Group and/or defined as critical by ESMA, which are affected by a definite or potential transition remains unchanged:

- the EONIA will be discontinued on 3 January 2022;
- the LIBORs (USD, GBP, CHF, JPY and EUR) may be discontinued by the end of 2021, but no official announcement has been made at this point;
- the EURIBOR, WIBOR and STIBOR may be discontinued, but not likely in the short term.

The EURIBOR, LIBORs (particularly USD) and EONIA represent - in descending order - the Group's most significant exposures to interest rate benchmarks.

In addition to preparing for anticipated transitions, and at the very least efforts to comply with the BMR, the Benchmarks project also aims to identify and manage risks inherent in benchmark transitions, particularly financial risks, operational risks and client protection risks.

To ensure that hedging relationships affected by the interest rate benchmark reform can continue despite the uncertainties surrounding the timetable and conditions of the transition between current and new benchmarks, the IASB published amendments to IAS 39, IFRS 9 and IFRS 7 in September 2019, which 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 impacts on the amounts and maturities of interest payments, and thus considers that said amendments may apply to any hedging contracts - primarily related to the EONIA, EURIBOR and LIBORs (USD, GBP, CHF, JPY) - at 31 December 2020.

At 31 December 2020, the nominal amount of hedging instruments impacted by the reform and subject to persistent uncertainties stood at €65.8 billion.

Other amendments published by the IASB in August 2020 supplemented those published in 2019 and focused on the accounting impacts of the replacement of existing benchmarks with other benchmarks due to the IBOR reforms.

These changes, referred to as "Phase 2", mainly involve changes in contractual cash flows. They allow entities not to recognise or to adjust the carrying amount of financial instruments to reflect changes required by the reform, but instead to update the effective interest rate to reflect the change in the alternative benchmark rate.

As regards hedge accounting, entities will not have to declassify their hedging relationships when they make the changes required by the reform.

The Group decided to early apply these amendments from 1 January 2020.

At 31/12/2020, the breakdown by benchmark index of instruments based on previous benchmark rates slated to transition to new rates prior to their maturity was as follows:

In millions of euros	EONIA	EURIBOR	LIBOR USD	LIBOR GBP	LIBOR JPY	LIBOR CHF	LIBOR EUR	WIBOR	STIBOR
Total financial assets (excluding derivatives)	4	83,345	70,661	6,155	13,955	791	-	262	99
Total financial liabilities (excluding derivatives)	5,610	51,261	43,387	2,731	1,268	652	-	101	71
Total notional amount of derivatives	528,080	3,808,317	2,861,544	363,401	956,326	99,304	-	9,183	29,457

For exposures to the EONIA, reported outstandings are those with a maturity date falling after 3 January 2022, i.e. the transition date.

For non-derivative financial instruments, the exposures shown are the nominal values of the instruments and the outstanding principal balance of the amortisable instruments.

1.1.3 IFRS 16 LEASE TERMS - DECISION OF THE IFRS IC OF 26 NOVEMBER 2019

The IFRS IC received a request in the first half of 2019 on how to determine the enforceable period of the lease for the purposes of recognising leases under IFRS 16, particularly for two types of leases:

- Leases with no specified contractual term, cancellable by either party subject to a notice period;
- Renewable leases (unless terminated by either party), with no contractual penalties in the event of termination.

At its meeting of 26 November 2019, the IFRS IC stated that in accordance with IFRS 16 and as a general rule, a lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, and clarified that in order to determine the enforceable period of the lease, the entity shall consider the broader economics of the lease and that the concept of penalties extends beyond contractual termination payments and includes any economic incentive not to terminate the lease.

This decision constitutes a change in methodology with respect to the approaches used by the Group to determine lease terms, and extends beyond the specific cases on which the IFRS IC was asked to provide an opinion, as stated by the AMF in its recommendations at 31 December 2019. The Group determines the lease term used to assess right-of-use assets and lease liabilities in accordance with IFRS 16 within this enforceable period.

With the publication of this final decision by the IFRS IC, the Crédit Agricole Group initiated a project involving the accounting, finance, risk and IT functions with the aim of complying with the decision for the period ending 31 December 2020.

The Group decided to use a lease term corresponding to the first post-5 year termination option as the reasonably certain term of a lease. This term, on initiation of French commercial leases, will be applied in the majority of cases. The main exception is the case of a lease in which the Group has waived its three-year intermediate termination options (e.g. in exchange for rent reductions); in such case, the lease term will remain 9 years.

1.1.4 STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION AT 31 DECEMBER 2020

The standards and interpretations published by the IASB at 31 December 2020, but not yet adopted by the European Union, are not applicable by the Group. They will become mandatory only as from the date planned by the European Union and have not been applied by the Group at 31 December 2020.

This concerns IFRS 17 in particular.

IFRS 17 "Insurance Contracts", published in May 2017, will replace IFRS 4. It will be applicable to financial years beginning on or after 1 January 2023, subject to its adoption by the European Union.

IFRS 17 defines new principles in terms of valuation, recognition of liabilities under insurance contracts and the assessment of their profitability, as well as in terms of presentation. From 2017 to 2019, a framework for the implementation project was established to identify the issues and impacts of the standard for the Group's insurance subsidiaries.

1.2 Accounting policies and principles

1.2.1 USE OF ASSESSMENTS AND ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Estimates made to establish the financial statements are by their nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Future results may be influenced by many factors, including:

- activities in domestic and international markets;
- fluctuations in interest and exchange rates;
- the economic and political climate in certain industries or countries; and
- changes in regulation or legislation.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following valuations:

- financial instruments measured at fair value;
- investments in non-consolidated companies;
- pension plans and other post-employment benefits;
- stock option plans;
- impairment of loans and debt securities at amortised cost or at fair value through other comprehensive income that can be reclassified to profit or loss;
- provisions;
- goodwill impairment;
- deferred tax assets;
- valuation of equity-accounted entities;
- deferred profit-sharing.

The procedures for the use of assessments or estimates are described in the relevant sections below.

1.2.2 FINANCIAL INSTRUMENTS (IFRS 9, IAS 32 AND 39)

Definitions

IAS 32 defines a financial instrument as a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, i.e. a contract representing the rights or obligations to receive or pay cash or other financial assets in the future.

Derivative instruments are financial assets or liabilities whose value changes in accordance with the value of an underlying primary financial instrument, which require little to no initial investment, and which are settled at a future date.

Financial assets and liabilities are treated in the financial statements in accordance with IFRS 9 as adopted by the European Commission, including financial assets held by the Group's insurance entities.

IFRS 9 defines the principles relating to the classification and measurement of financial instruments, credit risk impairment and hedge accounting, excluding macro-hedging transactions.

However, Crédit Agricole CIB uses the option of not applying the IFRS 9 general hedging model. All hedging relationships therefore are treated in accordance with IAS 39, pending future provisions relating to macro-hedging.

Conventions for measuring financial assets and liabilities

INITIAL MEASUREMENT

On initial recognition, financial assets and liabilities are measured at their fair value as defined by IFRS 13.

Fair value as defined by IFRS 13 is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, on the principal market or on the most advantageous market, at the measurement date.

SUBSEQUENT MEASUREMENT

After initial recognition, financial assets and financial liabilities are measured according to their classification, either at amortised cost based on the effective interest rate method, or at their fair value as defined by IFRS 13. Derivative instruments are always measured at their fair value.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition, including the transaction costs directly attributable to their acquisition or issuance, minus principal repayments, plus or minus the aggregate amortisation calculated using the effective interest (EIR) method for any difference (discount or premium) between the initial amount and the amount at maturity. For a financial asset at amortised cost or at fair value through other comprehensive income that can be reclassified to profit or loss, the amount is adjusted if necessary for impairment losses (see “Provisioning for credit risk”).

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, over a shorter period, to obtain the net carrying amount of the financial asset or financial 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 which determine their accounting treatment and subsequent method of measurement.

The criteria for classification and measurement of financial assets depend on the type of financial asset, and its classification as:

- debt instruments (e.g. loans and fixed or determinable-income securities); or
- equity instruments (i.e. shares).

Financial assets are classified in one of the three following 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 (that can be reclassified to profit or loss for debt instruments, but not for equity instruments).

DEBT INSTRUMENTS

The classification and measurement of a debt instrument depend on two combined criteria: the business model defined at portfolio level and the analysis of the contractual characteristics determined for each debt instrument except when using the fair value option.

The three business models:

The business model is representative of the strategy followed by Crédit Agricole CIB to manage its financial assets and 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 asset.

Crédit Agricole CIB distinguishes three business models:

- The collect model, where the intention is to collect the contractual cash flows over the life of the asset; this model does not systematically involve holding all assets until their contractual maturity. However, sales of financial assets with a collect business model are strictly governed;
- The collect and sell model, where the objective is to collect the cash flows over the life of the asset and to sell it. In this model, both the sale of financial assets and the collection of the cash flows are essential criteria; and
- The other/sell model, the main objective of which is to dispose of the assets.

This model applies to portfolios held for the purpose of collecting cash via disposals, portfolios whose performance is measured on a fair value basis, and portfolios of financial assets held for trading.

When the strategy applied by Management to manage financial assets matches neither the collect model nor to the collect and sell model, these financial assets are classified in a portfolio, whose business model is other/sell.

Contractual characteristics (“Solely Payments of Principal and Interest” or “SPPI” test):

The “SPPI” test combines a set of criteria, examined cumulatively, to establish whether contractual cash flows are consistent with a basic lending arrangement (payments of principal and interest on the principal amounts outstanding).

The test is satisfied when the lending arrangement gives rise to solely payments of principal and the interest payments received reflect the time value of money, the credit risk associated with the instrument, and other basic lending risks and costs plus reasonable additional compensation, whether the interest rate is fixed or variable.

In a basic lending arrangement, interest represents the cost of the passage 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).

In some cases, when such qualitative analysis is not conclusive in and of itself, quantitative analysis (or Benchmark testing) is carried out. This additional analysis consists in comparing the contractual cash flows of the asset under review with the cash flows of a benchmark asset.

If the difference between the cash flows of the financial asset and the benchmark asset is considered insignificant, the asset is deemed to be a basic lending arrangement.

Moreover, a special analysis is conducted when the financial asset is issued by special purpose entities establishing a priority order of payment among the holders of the financial assets by contractually linking multiple instrument between them by contracts and creating concentrations of credit risk (“tranches”).

Each tranche is assigned a rank of subordination that specifies the order of distribution of 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 of the underlying assets according to the “look through” approach and the credit risk borne by the tranches subscribed compared with the credit risk of the underlying assets.

The accounting method applied to debt instruments resulting from the classification of the business model combined with the "SPPI" test can be presented in the form of a diagram, as shown below:

▶ **Debt instruments**

DEBT INSTRUMENTS		BUSINESS MODELS		
		COLLECT	COLLECT AND SELL	OTHER/ SELL
SPPI TEST	SATISFIED	Amortised cost	Fair value through other comprehen-sive income that can be reclassified to profit or loss	Fair value through profit or loss (SPPI test N/A)
	NON-SATISFIED	Fair value through profit or loss	Fair value through profit or loss	

Debt instruments at amortised cost

Debt instruments are measured at amortised cost if they are eligible for the collect model and if they pass the "SPPI" test.

They are recorded at the settlement/delivery date and their initial measurement also includes accrued interest and transaction costs.

Amortisation of any premiums/discounts and transaction costs on fixed-income securities is recognised in the income statement using the effective interest rate method.

This category of financial assets is subject to impairment under the conditions described in "Provisioning for credit risk".

Debt instruments at fair value through other comprehensive income that can be reclassified to profit or loss

Debt instruments are measured at fair value through other comprehensive income that can be reclassified to profit or loss if they are eligible for the collect and sell model and if they pass the "SPPI" test.

They are recorded at the trading date and their initial recognition includes accrued instruments and transaction costs. Amortisation of any premiums/discounts and transaction costs on fixed-income securities is recognised in the income statement using the effective interest rate method.

These financial assets are subsequently measured at their fair value and changes in fair value are recognised under other comprehensive income that can be reclassified to profit or loss against the outstanding account (excluding accrued interest accounted for in profit or loss using the effective interest rate method).

In the case of a disposal, changes in fair value are taken to profit or loss.

This category of financial instruments is subject to impairment under the conditions described in "Provisioning for credit risk" (without 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 circumstances:

- The instruments are classified in portfolios made up of financial assets held for trading or the main objective of which is disposal;
- Financial assets held for trading are assets acquired or generated by the company for the purpose of selling them in the near future or are part of a portfolio of instruments jointly managed with a view to generating a profit from short-term price fluctuations or a dealer's margin. Although contractual cash flows are received over the period during which Crédit Agricole CIB holds the assets, the receipt of these contractual cash flows is not essential but accessory.
- Debt instruments failing the "SPPI" test. Notably the case of UCITS;
- Financial instruments classified in portfolios which the entity chooses to measure at fair value in order to reduce an accounting mismatch in the income statement. In such case, the instruments are recognised at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly taken to profit or loss) and including accrued interest.

They are subsequently measured at their fair value and changes in fair value are taken to profit or loss, under Net Banking Income (NBI), against the outstanding account. Interest from these instruments is recognised under "Net gains (losses) on financial instruments at fair value through profit or loss".

This category of financial assets is not subject to impairment.

Debt instruments measured at fair value through profit or loss by type (if they fail the SPPI test) or subject to the "Other/Sell" business model are recognised in the balance sheet at the settlement-delivery date and recorded under off-balance sheet assets at the trade date.

Debt instruments measured at fair value through profit or loss by option are recorded at the trade date.

EQUITY INSTRUMENTS

Equity instruments are by default recognised at fair value through profit or loss, unless the entity takes the irrevocable option to classify them at fair value through other comprehensive income that cannot be reclassified to profit or loss, providing these instruments are not held-for-trading.

Equity instruments at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly recognised under profit or loss). They are recognised at the settlement-delivery date. Between the trade date and the settlement-delivery date, an off-balance sheet liability is recorded on the instrument and the change in fair value is recognised in the balance sheet.

Equity instruments are subsequently measured at their fair value and changes in fair value are taken to profit or loss, under Net Banking Income (NBI), against the outstanding account.

This category of financial assets is not subject to impairment.

Equity instruments at fair value through other comprehensive income that cannot be reclassified to profit or loss (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 taken at the transactional level (line by line) and is applied from the initial recognition date. The instruments are recognised at the trade date.

Initial fair value includes transaction costs.

During subsequent measurements, changes in fair value are recorded in other comprehensive income that cannot be reclassified to profit or loss. If sold, these changes are not reclassified to profit or loss, and the proceeds from the sale are recognised under other comprehensive income.

Only dividends are taken to profit or loss, if:

- the entity's right to receive payment of the dividends is established;
- it is probable that the economic benefits associated with the dividends will go to the entity;
- the amount of the dividends can be reliably estimated.

RECLASSIFICATION OF FINANCIAL ASSETS

In the event of a significant change in the business model used to manage financial assets (new activity, acquisition of entities, disposal or discontinuation of a significant activity), these financial assets shall be reclassified. The reclassification applies to all financial assets in the portfolio from the date of reclassification.

In other cases, the business model remains unchanged for the existing financial assets. If a new business model is identified, it is applied on a forward-looking basis to the new financial assets, combined in a new portfolio.

TEMPORARY PURCHASES AND SALES OF SECURITIES

Temporary sales of securities (securities lending, securities sold under repurchase agreements) do not generally meet derecognition requirements.

Securities lent or sold under repurchase agreements remain on the balance sheet. In the case of securities sold under repurchase agreements, the amount collected, representing the debt vis-à-vis the buyer, is recognised under balance sheet liabilities by the seller.

Securities borrowed or bought under resale agreements are not recognised on the balance sheet of the buyer.

In the case of securities bought under resale agreements, a receivable vis-à-vis the seller is recognised on the balance sheet of the buyer against the amount paid. If the security is subsequently sold, the buyer recognises a liability measured at fair value in respect of its obligation to return the security under the repurchase agreement.

Securities sold under repurchase agreements and bought under resale agreements are recognised at fair value through profit or loss when they are part of the trading activity (a managed activity whose performance is measured on a fair value basis), and otherwise at amortised cost.

DERECOGNITION OF FINANCIAL ASSETS

Financial assets (or a group of financial assets) are fully or partially derecognised:

- when the contractual rights to the cash flows from the financial asset expire;
- or when they are transferred or are deemed to have been transferred because they belong de facto to one or more beneficiaries and when substantially all the risks and rewards incidental to ownership of the financial asset are transferred.

In this case, rights or obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred, but some of the risks and rewards of ownership as well as control are retained, the financial assets continue to be recognised to the extent of the Group's continuing involvement in the asset.

Financial assets renegotiated for commercial reasons without financial difficulties of the counterparty and with the aim of developing or keeping a commercial relationship are derecognised at the date of the renegotiation. The new loans granted to clients are recognised on this date at their fair value on the renegotiation date. Subsequent accounting treatment 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 one of the following two accounting categories:

- financial liabilities at fair value through profit or loss, by type or using the fair value option;
- financial liabilities at amortised cost.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS BY TYPE

Financial instruments issued mainly for the purpose of being repurchased in the short term, instruments belonging to a portfolio of identified financial instruments which are managed together and which show evidence of recent short-term profit taking, 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 in the income statement.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS BY OPTION

Financial liabilities falling into one of the three cases defined by the standard below may be measured at fair value through profit or loss by option: hybrid issues including one or more embedded derivatives, with a view to reducing or eliminating accounting treatment distortion, groups of financial liabilities managed together and whose performance is measured on a fair value basis.

This option is irrevocable and must be applied at the initial recognition date of the instrument.

During subsequent measurements, these financial liabilities are measured at fair value against profit or loss for changes in fair value not related to the issuer's own credit risk and against other comprehensive income that cannot be reclassified to profit or loss for changes in value related to the issuer's own credit risk, except if this distorts the accounting mismatch (in which case the changes in value associated with the issuer's own credit risk are taken to profit or loss, in accordance with IFRS).

Crédit Agricole CIB's structured issues are classified as financial liabilities designated at fair value through profit or loss by option. These liabilities belong to 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 recognition at fair value includes changes in the Group's issuer credit risk.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

All other liabilities meeting the definition of a financial liability (excluding derivatives) are measured at amortised cost.

These liabilities are initially measured at fair value (including income and transaction costs) and subsequently at amortised cost using the effective interest method.

RECLASSIFICATION OF FINANCIAL LIABILITIES

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is authorised.

DISTINCTION BETWEEN DEBT AND EQUITY INSTRUMENTS

The distinction between debt and equity instruments is based on the economic substance of the contractual terms.

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 or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

An equity instrument is a non-redeemable financial instrument that offers discretionary earnings, evidencing a residual interest in the assets of an entity after deducting all of its liabilities and is not classified as a debt instrument.

DERECOGNITION AND MODIFICATION OF FINANCIAL LIABILITIES

A financial liability is fully or partially derecognised:

- when it is extinguished; or
- when quantitative and qualitative analyses suggest it has undergone a substantial change due to restructuring.

A substantial modification of an existing financial liability shall be recorded as an extinguishment of the initial financial liability and the recognition of a new financial liability (novation). Any difference between the carrying amount of the extinguished liability and the new liability will be immediately taken to profit or loss.

If the financial liability is not derecognised, the original effective interest rate is maintained. A discount/premium is immediately recognised in the income statement at the date of the modification, and is then staggered at the original EIR over the remaining life of the instrument.

Negative interest income/expenses on financial assets and liabilities

Pursuant to the IFRS IC decision of January 2015, negative interest income (expenses) on financial assets that do not meet the definition of revenue within the meaning of IFRS 15 are recognised as interest expenses in the income statement, and not as a reduction of interest income. The same applies to negative interest expenses (income) on financial liabilities.

Impairment/provisioning for credit risk

SCOPE OF APPLICATION

In accordance with IFRS 9, Crédit Agricole CIB recognises a value correction for Expected Credit Losses (ECL) on the following outstandings:

- financial assets of debt instruments recognised at amortised cost or at fair value through other comprehensive income that can be reclassified to profit or loss (loans and receivables, debt securities);
- loan commitments that are not measured at fair value through profit or loss;
- guarantee commitments under IFRS 9 that are not measured at fair value through profit or loss;
- lease receivables under 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 cannot be reclassified to profit or loss) are not affected by impairment arrangements.

Derivative instruments and other instruments at fair value through profit or loss are subject to a counterparty risk calculation which is not covered by the ECL model. This calculation is described in Chapter 5 “Risks and Pillar 3”.

CREDIT RISK AND IMPAIRMENT/PROVISIONING STAGES

Credit risk is defined as the risk of losses associated with default by a counterparty preventing it from honouring its commitments to the Group.

The credit risk provisioning process has three stages (Buckets):

- Stage 1 (Bucket 1): on initial recognition of the financial instrument (loan, debt security, guarantee, etc.), the entity recognises 12-month expected credit losses;
- Stage 2 (Bucket 2): if credit risk significantly increases for a given transaction or portfolio, the entity recognises lifetime expected credit losses;
- Stage 3 (Bucket 3): where one or more default events have been recorded on a transaction or counterparty having an adverse effect on estimated future cash flows, the entity recognises lifetime expected credit losses. Subsequently, if the conditions for classifying the financial instruments in Bucket 3 are no longer met, the financial instruments are re-classified in Bucket 2, then in Bucket 1 as the associated credit risk decreases.

Definition of default

The definition of default for ECL provisioning purposes is identical to the definition used to manage portfolios and to calculate of regulatory ratios. A debtor is considered to be in default when at least one of the following two conditions has been met:

- a significant payment is generally more than ninety days past due, unless specific circumstances indicate that the delay is due to reasons beyond the debtor’s control;
- the entity considers the debtor unlikely to fully settle its credit obligations unless it avails itself of certain measures such as the realisation of collateral.

An exposure in default (Bucket 3) is said to be impaired when one or more events have occurred having an adverse impact on the estimated future cash flows of the financial asset. Evidence of the impairment of a financial asset include observable data relating to the following events:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower’s financial difficulty, has granted a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

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 fails to return to a sound financial position after an observation period serving to determine that the debtor is no longer in default (assessment by the Risk Department).

Definition of expected credit loss (ECL)

ECL is defined as probability-weighted estimate of credit losses (the present value of all cash shortfalls, i.e. principal and interest). It represents the present value of the difference between contractual cash flows and expected cash flows (including principal and interest).

The ECL approach is aimed at anticipating recognition of expected credit losses as early as possible.

GOVERNANCE AND MEASUREMENT OF ECL

The governance of the mechanism used to measure IFRS 9 inputs is based on the organisation implemented under the Basel mechanism. The Group Risk Department is responsible for defining the methodological framework and for supervising the mechanism for provisioning outstanding exposures.

The Group prioritises the internal rating-based approach and the current Basel processes to generate the IFRS 9 inputs necessary for the calculation of ECL. The assessment of change in credit risk is based on a model of expected credit losses and extrapolation based on reasonable scenarios. All available, relevant, reasonable and supportable information, including forward-looking information, shall be used.

The calculation formula includes probability of default, loss given default and exposure at default.

These calculations are widely based on the internal models used as part of the regulatory framework when they exist, but with adjustments to determine economic ECL. IFRS 9 recommends a Point in Time analysis while taking into account historical loss data and forward -looking macroeconomic data, whereas the regulatory perspective is analysed Through The Cycle for probability of default and under downturn conditions for loss given default.

The accounting approach also requires the recalculation of certain Basel inputs, in particular to eliminate internal collection costs or floors imposed by the regulator for the regulatory calculation of Loss Given Default (LGD).

ECL calculation methods vary depending on the product type: financial instruments and off-balance sheet instruments.

12-month expected credit losses are a portion of lifetime expected credit losses, and they represent lifetime cash flow shortfalls resulting from default in the 12 months following the reporting date (or a shorter period if the expected lifespan of the financial instrument is less than 12 months), weighted by the probability of default within 12 months.

Expected credit losses are discounted at the effective interest rate determined on initial recognition of the financial instrument.

ECL measurement methods factor in assets pledged as collateral and other contractual credit enhancements that the entity does not recognise separately. Estimated cash flow shortfalls from a guaranteed financial instrument reflect the amount and timing of the collection of collateral. In accordance with IFRS 9, guarantees and collateral taken into account do not impact the assessment of the significant increase in credit risk, which is based on the change in the debtor’s credit risk without taking collateral into account.

Backtesting of models and inputs used is carried out at least on a yearly basis.

Forward-looking macroeconomic data are incorporated in a methodological framework applicable at two levels:

- at the Group level in the determination of a shared framework for incorporating Forward-Looking data in the projection of PD and LGD inputs over transaction amortisation periods;
- at the level of each entity with regard to its own portfolios.

SIGNIFICANT INCREASE IN CREDIT RISK

All Group entities are required to assess, for each financial instrument at each closing date, increase in credit risk since inception. This assessment serves as the basis on which entities classify their transactions by risk class (Buckets).

In order to assess a significant increase in credit risk, the Group has established a two-level analysis:

- Level 1, based on relative and absolute rules and criteria applying to Group entities;
- Level 2, associated with an expert assessment based on local Forward-Looking data, of the risk carried by each entity on its portfolios which may lead to an adjustment of Group criteria for declassification to Bucket 2 (switching a portfolio or sub-portfolio to lifetime ECL).

Each financial instrument is monitored for a significant increase in credit risk, without exception. No contagion is required for a transfer of the financial instruments for a given counterparty from Bucket 1 to Bucket 2. The principal debtor is monitored for significant increases in credit risk, without taking collateral into account, including for transactions benefiting from a shareholder guarantee.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than an individual basis.

In order to measure a significant increase in credit risk since initial recognition, both the internal rating and PD (probability of default) on inception are required.

Inception is understood as the trade date, when the entity becomes party to the contractual terms of the financial instrument. For loan and guarantee commitments, inception is understood as the date of irrevocable commitment.

For the scope without an internal rating-based approach, the Crédit Agricole Group uses the over 30 days past-due threshold as the ultimate threshold for a significant increase in credit risk and classification in Bucket 2.

For amounts outstanding (except for securities) for which internal rating-based mechanisms have been established (in particular exposures monitored using authorised methods), the Crédit Agricole Group considers that all the information included in the rating mechanisms enables a more relevant assessment than the payment more than 30 days past due criterion alone.

If the increase in credit risk since inception ceases to be observed, the impairment may once again be expressed as 12-month expected credit losses (Bucket 1).

In order to compensate for the fact that certain factors or evidence of a significant increase in credit risk cannot be identified for an isolated financial instrument, IFRS authorises the significant increase in credit risk to be assessed for portfolios, groups of portfolios or portions of portfolios of financial instruments.

Portfolios may be built for the purpose of collectively assessing an increase in credit risk where the financial instruments share characteristics such as:

- type of instrument;
- credit risk rating (including the Basel II internal rating for entities with an internal rating-based system);
- type of collateral;
- date of initial recognition;
- term left until maturity;
- business sector;
- geographic location of the borrower;
- the value of the asset pledged as collateral relative to the financial asset, if this has an effect on probability of default (for example, in the case of loans backed solely by real security in certain countries, or on the financing ratio);
- the distribution channel, the purpose of the loan, etc.

The combination 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 applies an absolute level of credit risk, in accordance with IFRS 9, below which exposures are classified in Bucket 1 and provisions are made based on 12-month ECL.

The following rules apply to monitoring significant increase in credit risk on securities:

- securities rated as “Investment Grade” at the closing date are classified in Bucket 1 and provisioned on the basis of 12-month ECL;

- securities rated as "Non-Investment Grade" (NIG) at the closing date are monitored for significant increase in credit risk since inception and classified in Bucket 2 (lifetime ECL) in the event of a significant increase in credit risk.

The relative increase in credit risk is assessed prior to the occurrence of a confirmed default (Bucket 3).

FORBEARANCE DUE TO FINANCIAL DIFFICULTIES

Debt instruments forborne due to financial difficulties are those for which the entity has changed the initial financial terms (interest rate, maturity) for economic or legal reasons related to the borrower's financial difficulties, in a manner that would not have been considered under other circumstances. This definition covers all debt instruments, whatever the classification of the security, based on the increase in credit risk observed since initial recognition.

In accordance with the definition given by the EBA (European Banking Authority), provided in "Risk Factors", forbearance covers any changes made to one or more loan agreements for this reason, and to concessions granted to due financial difficulty encountered by the client.

Forbearance shall be assessed at the individual contract level and not at the client level (no contagion).

The definition of forborne exposures thus involves two cumulative criteria:

- Contract changes or concessions;
- A client in financial difficulty (debtor facing or about to face financial difficulties preventing it from honouring its financial obligations).

Examples of contract changes include situations in which:

- There is a difference, in favour of the borrower, between the amended contract and the conditions existing prior to the contract;
- The changes made to the contract lead to more favourable conditions for the borrower than other borrowers with a similar risk profile would have been able to obtain, at the same time, from the bank.

"Concessions" are situations in which a new debt is granted to allow the client to fully or partially repay another debt whose contractual conditions can no longer be met due to financial difficulties.

Forbearance (performing or credit-impaired loan) indicates the presumed existence of a risk of incurred loss (Bucket 3).

The need to recognise impairment on a forborne exposure shall therefore be analysed accordingly (forbearance does not systematically lead to impairment for an incurred loss and classification as credit-impaired).

Classification as a "forborne exposure" is temporary.

As soon as the forbearance arrangement as defined by the EBA has been carried out, the exposure continues to be classified as "forborne" for a period of at least two years if the exposure was performing at the time of forbearance, or three years if the exposure was credit-impaired at the time of forbearance. These periods are extended if certain events occur, provided by Group regulations (new incidents, for example).

In the absence of derecognition, the reduction of future cash flows granted to a counterparty, or their deferral in accordance with a forbearance arrangement, results in the recognition of a haircut in cost of risk.

The haircut is equal to the difference between:

- The carrying amount of the receivable;
- And the sum of theoretical future cash flows from the "forborne" exposure, discounted at the initial effective interest rate (defined at the date of the loan commitment).

In the event a portion of the principal is forgiven, this amount constitutes a loss to be immediately recognised under cost of risk.

The haircut recognised when a loan is forborne is recorded under cost of risk.

When this haircut is reversed, the portion due to the effect of the passage of time is recognised under Net Banking Income.

NON-RECOVERABILITY

When an exposure is considered to be non-recoverable, i.e. there is no longer any hope of recovering even part of it, the amount considered to be non-recoverable is derecognised from the balance sheet and written off.

Decisions as to when to write off an exposure are taken on the basis of expert judgement. Each entity shall determine this period, with its Risk Department, based on its understanding of the business. A Bucket 3 provision shall be recognised prior to any write-off (except for assets at fair value through profit or loss).

Derivatives

CLASSIFICATION AND MEASUREMENT

Derivative instruments are financial assets or liabilities classified by default as derivative instruments held for trading purposes unless they can be classified as hedging derivatives.

They are recognised in the balance sheet for their initial fair value at the trade date.

They are subsequently measured at their fair value.

At each closing date, changes in fair value of derivatives on the balance sheet are recorded:

- Under profit or loss for derivative instruments held for trading or fair value hedging;
- Under OCI for cash flow hedges or net investment hedges of a foreign operation for the effective part of the hedge.

HEDGE ACCOUNTING

General framework

In accordance with the Group decision, Crédit Agricole CIB does not apply the IFRS 9 "hedge accounting" section, in line with the option offered by the standard. All hedging relationships are documented in accordance with IAS 39, and will continue to be documented under IAS 39 until the standard on macro-hedging is adopted by European Union. However, the eligibility of financial instruments for hedge accounting under IAS 39 takes into account the principles of classification and measurement of financial instruments under IFRS 9.

Under IFRS 9, and given the hedging principles of IAS 39, debt instruments at amortised cost and at fair value through other comprehensive income that can be reclassified to profit or loss are eligible for fair value hedge and cash flow hedge accounting.

Documentation

Hedging relationships shall observe the following principles:

- The purpose of fair value hedges is to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognised, or of a firm commitment that has not been recognised, attributable to the risk(s) hedged and which may affect profit or loss (for example, a hedge of

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some or all of the changes in fair value due to the interest rate risk of a fixed rate loan);

- The purpose of cash flow hedges is to provide protection from an exposure to changes in the future cash flows of an asset or liability that is recognised, or of a highly probable transaction, attributable to the risk(s) hedged and which could (in the case of a transaction planned but not carried out) affect profit or loss (for example, a hedge of changes in some of all future interest payments on a variable -rate loan);
- The purpose of a net investment hedge of a foreign operation is to provide protection from the risk of an adverse change in fair value arising from the foreign exchange risk associated with an investment in a foreign operation denominated in a currency other than Euro, i.e. Crédit Agricole CIB's reporting currency.

Hedges shall also meet the following criteria in order to be eligible for hedge accounting:

- Eligibility of the hedging instrument and the hedged instrument;
- Formal documentation from inception, 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;
- Demonstration of the effectiveness of the hedge at inception and retrospectively, by testing at each reporting date.

For interest rate hedges on a portfolio of financial assets or financial liabilities, the Crédit Agricole Group documents the hedging relationship for fair value hedges in accordance with the carve-out version of IAS 39 as adopted by the European Union. In particular:

- The Group documents these hedging relationships based on its gross position in derivative instruments and hedged items;
- The effectiveness of the hedging relationships is measured using maturity schedules.

Details of the Group risk management strategy and its application are provided in Chapter 5 "Risks and Pillar 3".

Measurement

The remeasurement of the derivative at its fair value is accounted for as follows:

- fair value hedge: the remeasurement of the derivative is recognised in the income statement symmetrically with the remeasurement of the hedged item (in the amount of the hedged risk). Only the net amount of any ineffective portion of the hedge is recognised in the income statement;
- cash flow hedge: the change in value of the derivative is recognised in the balance sheet through a specific account in net income and other comprehensive income for the effective portion of the hedge, and any ineffective portion of the hedge is taken to profit or loss. Any profits or losses on the derivative accumulated through other comprehensive income are then transferred in the income statement when the hedged cash flows occur;
- net investment hedge of a foreign operation: the change in value of the derivative is recognised in the balance sheet through translation adjustments in other comprehensive income that can be reclassified to profit or loss and the ineffective portion of the hedge is taken to profit or loss.

When the eligibility conditions of hedge accounting are no longer met, the following accounting treatment shall be applied on a forward-looking basis:

- fair value hedge: only the hedging instrument continues to be remeasured through profit or loss. The hedged item is wholly accounted for according to its classification. For debt instruments at fair value through other comprehensive income that can be reclassified to profit or loss, fair value changes after the termination of the hedging relationship are entirely recognised in other comprehensive income. For hedged items measured at amortised cost, which were interest rate hedged, the re-measurement adjustment is amortised over the remaining life of the hedged items;
- cash flow hedge: the hedging instrument is measured at fair value through profit or loss. The amounts accumulated in other comprehensive income in respect of effective portion of the hedge remain in other comprehensive income until the hedged item affects profit or loss. For interest rate-hedged instruments, profit or loss is affected as interest payments are made. The remeasurement adjustment is therefore amortised over the remaining life of the hedged items;
- net investment hedge of a foreign operation: The amounts accumulated in other comprehensive income in respect of the effective portion of the hedge remain in other comprehensive income while the net investment is held. The income is recorded once the net investment in a foreign operation is deconsolidated.

EMBEDDED DERIVATIVES

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. This designation only applies to financial liabilities and non-financial contracts. Embedded derivatives shall be accounted for separately from the host contract if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- the embedded component taken separately from the host contract meets the definition of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

Determination of the fair value of financial instruments

The fair value of financial instruments is measured by maximising the use of observable input data. It is presented in accordance with the fair value hierarchy defined in IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, on the principal market or on the most advantageous market, at the measurement date.

Fair value applies separately to each financial asset and each financial liability. A portfolio exemption may be used if permitted by the business model and the risk management strategy and is appropriately documented. Accordingly, when a group of financial assets and liabilities are managed on the basis of net exposure to market and credit risks, some inputs of fair value are calculated on a net basis. This is the case for the CVA/DVA calculation described in Chapter 5 "Risks and Pillar 3".

Crédit Agricole CIB considers that the best evidence of fair value is quoted prices published in an active market.

In the absence of such prices, fair value is determined by the application of valuation techniques which maximise the use of relevant observable data and minimise the use of unobservable data.

When a debt is measured at fair value through profit or loss (by type or as an option), fair value takes into account the issuer's own credit risk.

FAIR VALUE OF STRUCTURED ISSUES

In accordance with IFRS 13, Crédit Agricole CIB measures its structured issues at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Group issues.

COUNTERPARTY RISK ON DERIVATIVE INSTRUMENTS

In assessing counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and, using a symmetrical treatment, Crédit Agricole CIB incorporates non-performance risk for derivative liabilities (Debit Valuation Adjustment or DVA, i.e. own credit risk).

CVA makes it possible to determine expected losses on a counterparty from the perspective of Crédit Agricole Group, and DVA the expected credit losses on Crédit Agricole Group from the perspective of the counterparty.

CVA/DVA calculations are based on an estimate of expected credit losses, in turn based on probability of default and loss given default. The methodology employed by the Group maximises the use of observable market inputs. It is primarily based on market inputs such as registered and listed Credit default Swaps (CDS) (or Single Name CDS) or index-based 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 THE FUNDING OF DERIVATIVES

The valuation 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 exposures of transactions for which a cost of financing is applied.

FAIR VALUE HIERARCHY

IFRS 13 classifies fair value in one of three levels based on the observability of inputs used in valuation techniques.

Level 1: fair values are quoted prices (unadjusted) in active markets

Level 1 is composed of financial instruments that are directly quoted in active markets for identical assets or liabilities that the entity can access at the measurement date. This applies primarily to stocks and bonds quoted in an active market (such as the Paris Stock Exchange, the London Stock Exchange, the New York Stock Exchange, etc.), units of investment funds quoted in active markets and derivatives contracted in an organised market, especially futures contracts.

A market is regarded as being active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For financial assets and liabilities with offsetting market risks, Crédit Agricole CIB uses mid-prices as a basis for establishing fair values of the offsetting risk positions. The Group applies the current bid price to open long positions and the current ask price to open short positions.

Level 2: fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

These data can be observed either directly (i.e. prices) or indirectly (derived from price data) and generally meet the following characteristics: they are non-entity-specific data that are publicly available or accessible and based on a market consensus.

Level 2 is composed of:

- stocks and bonds quoted in an inactive market, or not quoted in an active market but for which fair value is established using a valuation method typically used by market participants (such as the discounted cash flow method or the Black & Scholes model) and based on observable market data;
- Instruments that are traded over the counter, the fair value of which is measured with models using observable market data, i.e. derived from various and independent available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves based on market interest rates as observed at the reporting date.

When the models are consistent notably with standardised models based on observable market data (such as yield curves or implied volatility surfaces), the day one gain or loss resulting from the initial fair value measurement of the related instruments is recognised in profit or loss at inception.

Level 3: fair values measured predominantly using unobservable inputs.

For some complex instruments that are not traded in an active market, fair value measurement is based on valuation techniques using assumptions i.e. that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

This mainly concerns complex fixed income instruments, equity derivatives, structured credit instruments which fair value measurement includes for instance correlation or volatility inputs that are not directly benchmarkable.

Since the transaction price is deemed to reflect the fair value at initial recognition, any day one gain or loss recognition is deferred.

The margin earned on these structured financial instruments is generally staggered in profit or loss by over the period during which the inputs are deemed unobservable. When market data become "observable", the remaining margin is immediately recognised in profit or loss.

Valuation methodologies and models used for financial instruments that are disclosed within Level 2 and 3 incorporate all factors that market participants would consider in setting a price. They shall be validated beforehand by an independent control. Fair value measurement notably includes both liquidity risk and counterparty risk.

◆ Netting of financial assets and liabilities

In accordance with IAS 32, Crédit Agricole CIB nets a financial asset and a financial liability and records a net balance if and when it has a legally enforceable right to offset the amounts recognised and intends to settle the net amount or realise the asset and settle the liability simultaneously.

The derivative instruments and repos handled with clearing houses that meet the two criteria required by IAS 32 have been offset on the balance sheet.

The effect of this offsetting is presented in the table in Note 6.9 on the amendment to IFRS 7 on disclosures regarding the offsetting of financial assets and financial liabilities.

◆ Net gains or losses on financial instruments

NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

For financial instruments recognised at fair value through profit or loss, this line includes the following income items:

- Dividends and other revenues from equities and other variable-income securities classified as financial assets at fair value through profit or loss;
- Changes in fair value of financial assets or liabilities at fair value through profit or loss;
- Capital gains and losses on disposal of financial assets at fair value through profit or loss;
- Changes in fair value and proceeds from the disposal or termination of derivative instruments not classified as fair value or cash flow hedges.

This line also includes the ineffective portion of hedges.

NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

For financial assets recognised at fair value through other comprehensive income, this line includes the following income items:

- Dividends from equity instruments classified as financial assets measured at fair value through other comprehensive income that cannot be reclassified to profit or loss;
- Capital gains or losses on disposal and the profit or loss associated with the termination of the hedging relationship on debt instruments classified as financial assets at fair value through other comprehensive income that can be reclassified to profit or loss;
- The proceeds from disposal or termination of instruments serving as fair value hedges of financial assets at fair value through other comprehensive income when the hedged item is sold.

Loan commitments and financial guarantees given

Loan commitments that are not designated at fair value through profit or loss or not treated as derivative instruments within the meaning of IFRS 9 are not recognised in the balance sheet. They are, however, covered by provisions in accordance with IFRS 9.

A financial guarantee is a contract which requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at fair value and subsequently at the higher of:

- the amount of the value correction for losses determined in accordance with "Impairment" Chapter of IFRS 9; or
- the amount initially recognised, less, where appropriate, the aggregate income recognised in accordance with of IFRS 15 "Revenue from contracts with customers".

1.2.3 PROVISIONS (IAS 37 AND 19)

Crédit Agricole CIB has identified all obligations (legal or implied) resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligation, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. These estimates are updated where applicable whenever there is a material impact.

For obligations other than those related to credit risk, Crédit Agricole CIB has set aside general provisions to cover:

- operational risks;
- employee benefits;
- loan commitment execution risks;
- disputes;
- liability guarantees;
- provisions for tax disputes (excluding uncertainties over income tax treatment).

Certain estimates may be made to determine the amount of the following provisions:

- the provisions for operational risks, which although subject to examination for incurred risks, requires Management to make assessments with regard to incident frequency and the potential financial impact; and
- the provision for legal risks, which is based on Management's best estimate in light of the information in its possession at the end of the reporting period.

Detailed information is provided in Note 6.18 "Provisions".

1.2.4 EMPLOYEE BENEFITS (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, including salaries, wages, social security contributions, annual leave, profit-sharing and incentive plans and premiums, are defined as benefits expected to be settled within 12 months of the period in which the related services were rendered;
- post-employment benefits, divided into the following two sub-categories: defined-benefit plans and defined-contribution plans;
- other long-term employee benefits (long-service awards, variable compensation and compensation payable 12 months or more after the end of the period);
- termination benefits.

POST-EMPLOYMENT BENEFITS

Defined-benefit plans

At each reporting date, Crédit Agricole CIB Group sets aside reserves to cover its obligations in respect of pension plans and similar benefits and all other employee benefits falling in the category of defined-benefit plans.

In accordance with IAS 19, these obligations are measured based on a set 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 pertaining to the obligations in respect of pension plans and other employee benefits are based on assumptions made by Management with respect to the discount rate, staff turnover rate and probable increases in salary and social security costs (see Note 7.4 "Post-employment benefits, defined-benefit plans").

Discount rates are determined based on the average term of the obligation, i.e. the arithmetic average of the terms calculated between the valuation date and the payment date weighted by employee turnover assumptions. The underlying item is the discount rate based on the iBoxx index.

In accordance with IAS 19, Crédit Agricole CIB recognises all actuarial gains and losses under net income and other comprehensive income that cannot be reclassified to profit or loss. Actuarial gains and losses are comprised of experience adjustments (difference between estimate and actual amounts) and the impact of changes made to actuarial assumptions.

The expected return on plan assets is determined using discount rates applied to measure the defined benefit obligation. The difference between the expected return and the actual return on plan assets is recognised in net income and other comprehensive income that cannot be reclassified to profit or loss.

The amount of the provision is equal to:

- the present value of the obligation in respect of defined benefits at the closing date, calculated in accordance with the actuarial method recommended by IAS 19;
- if necessary, reduced by the fair value of the assets allocated to cover these obligations. These may be represented by an eligible insurance policy. In the event that 100% of the obligation is covered by a policy that exactly equals the expense amount payable over the period for all or part of a defined-benefit plan, the fair value of the policy is deemed to be the value of the corresponding obligation, i.e. the amount of the corresponding actuarial liability.

Defined-contribution plans

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 cover 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 the contributions payable for the year ended.

OTHER LONG-TERM BENEFITS

Other long-term employee benefits are employee benefits other than post-employment benefits or termination benefits but not fully due to employees within 12 months after the end of the period in which the related services were rendered.

These include, in particular, bonuses and other deferred compensation payable 12 months or more after the end of the period during which they were vested, but which are not share-based.

The measurement method is similar to the one used by the Group for post-employment benefits under defined-benefit plans.

1.2.5 SHARE-BASED PAYMENTS (IFRS 2)

IFRS 2 “Share-based payments” requires measurement of share-based payment transactions in the company’s income statement and balance sheet. The standard applies to transactions carried out with employees, and more specifically:

- share-based payment transactions settled in equity instruments; and
- share-based payment transactions settled in cash.

In Crédit Agricole CIB’s financial statements, payment plans based on Crédit Agricole S.A. shares and recognised in accordance with IFRS 2 are only transactions settled in cash.

The plans are measured at the grant date at fair value, predominantly using the Black & Scholes model. The plans are expensed under Personnel costs against an expense account under liabilities payable gradually over the vesting period.

Subscriptions of shares offered to employees as part of the company savings plan also fall under the scope of IFRS 2. Shares may be offered to employees with a discount of no more than 30%. These plans have no vesting period but the shares 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 vested share taking into account the lock-up period and the purchase price paid by the employee at the issue date multiplied by the number of shares issued.

A detailed description of plan methods and the valuation techniques is provided in Note 7.6 “Share-based payments”.

1.2.6 CURRENT AND DEFERRED TAXES (IAS 12)

Crédit Agricole CIB has been 99.9%-owned by Crédit Agricole Group since 27 December 1996 and some of its subsidiaries are part of the tax consolidation group of Crédit Agricole S.A..

In accordance with IAS 12, the income tax expense includes all income taxes, whether current or deferred.

The standard defines current tax as “the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period”. Taxable income is the profit (or loss) for a given accounting period measured in accordance with the rules determined by the tax authorities.

The applicable rates and rules used to measure current tax are those in effect in each country where the Group’s companies are established.

Current tax relates to any income due or that will become due, for which payment is not subordinated to the completion of future transactions, even if payment is staggered over several years.

Current tax shall be recognised as a liability until it is paid. If the amount that has already been paid for the current year and previous years exceeds the amount due for these years, the surplus must be recognised under assets.

Moreover, certain transactions carried out by the entity may have tax consequences that are not taken into account in measuring current tax. IAS 12 defines the difference between the carrying amount of an asset or liability and its tax base as a temporary difference.

This standard requires that deferred taxes be recognised in the following cases:

- a deferred tax liability shall be recognised for any taxable temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, unless the deferred tax liability arises from:
  - the initial recognition of goodwill,
  - the initial recognition of an asset or a liability in a transaction that is not a business combination and that does not affect either accounting or taxable profit (tax loss) at the transaction date.
- a deferred tax asset shall be recognised for any deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.
- a deferred tax asset shall also be recognised for the carryforward of unused tax losses and tax credits, that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The tax rates applicable in each country are used.

Deferred taxes are not discounted.

Taxable unrealised capital gains on securities do not generate any taxable temporary differences between the carrying amount of the asset and the tax base. As a result, deferred tax is not recognised on these gains. When the securities in question are classified as other financial instruments at fair value through other comprehensive income, the unrealised capital gains and losses are recognised against other comprehensive income. The tax expense or saving effectively borne by the entity arising from these unrealised gains or losses is also reclassified as a deduction from these gains.

In France, all but 12% of long-term capital gains on the disposal of equity investments, as defined by the General Tax Code, are exempt from corporate tax; the 12% share of long-term capital gains are taxed at the normally applicable rate. Accordingly, unrealised gains recognised at the reporting date generate a temporary difference requiring the recognition of deferred tax on this portion.

Under IFRS 16 “Leases”, a deferred tax liability is recognised on right-of-use assets and a deferred tax asset on the lease liability for the leases in which the Group is a lessee.

Current and deferred tax are recognised in net income for the year, unless the tax arises from:

- either a transaction or event that is recognised directly through other comprehensive income, during the same year or during another year, in which case it is directly debited or credited to other comprehensive income;
- or a business combination.

Deferred tax assets and liabilities are offset against each other if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and liabilities apply to income taxes assessed by the same tax authority:

  a) either on the same taxable entity;

  b) or for different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to simultaneously realise their tax assets and settle their tax liabilities in each future financial year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

Uncertainty over income tax treatment gives rise to the recognition of a current or deferred tax receivable or payable, when the probability of receiving the asset or paying the liability is considered more likely than unlikely.

The risk of uncertainty over income tax treatment is also included in the valuation of current and deferred tax assets and liabilities.

IFRIC 23 “Uncertainty over income tax treatments” applies when an entity has identified one or more uncertainties over its income tax positions. The interpretation also made clarifications on their estimates:

- the analysis shall be based in full on taxation authority examinations;
- the uncertainty over income tax treatment shall be recognised as a liability where it is more likely than unlikely that the tax authorities will challenge the treatment adopted by the entity, for an amount reflecting Management’s best estimate;
- if there is more than a 50% probability of reimbursement by the tax authority, the entity shall recognise a receivable.

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 expense is maintained under the heading “Income tax” in the income statement.

1.2.7 TREATMENT OF FIXED ASSETS (IAS 16, 36, 38 AND 40)

Crédit Agricole CIB Group applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable amount factors in the potential residual value of property, plant and equipment.

Land is measured at cost less any impairment losses.

Operating and investment properties and equipment are recorded at the acquisition cost minus depreciation and impairment accumulated over the period of use.

Purchased software is measured at the purchase price minus accumulated amortisation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated amortisation and impairment losses since completion.

Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contractual rights (e.g. distribution agreement). These were measured on the basis of corresponding future economic benefits or expected service potential.

Fixed assets are amortised or depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by the Crédit Agricole CIB Group in accordance with 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

Exceptional depreciation and amortisation expenses corresponding to tax-related amortisation and not to any real impairment in the value of the asset are eliminated in the consolidated financial statements.

1.2.8 FOREIGN CURRENCY TRANSACTIONS (IAS 21)

At the reporting date, foreign-currency denominated assets and liabilities are translated into euros, Crédit Agricole CIB Group’s functional currency.

In accordance with IAS 21, a distinction is made between monetary items (e.g. debt instruments) and non-monetary items (e.g. equity instruments).

Foreign currency-denominated assets and liabilities are translated at the closing exchange rates. The resulting translation adjustments are recorded in the income statement. There are three exceptions to this rule:

- on debt instruments at fair value through other comprehensive income that can be reclassified to profit or loss, the translation adjustment component calculated on amortised cost is recognised in profit or loss; the additional amount is recorded under other comprehensive income that can be reclassified to profit or loss;

- on items designated as cash flow hedges or forming part of a net investment hedge in a foreign operation, translation adjustments are recognised in other comprehensive income that can be reclassified to profit or loss for the effective portion of the hedge;
- for financial liabilities at fair value through profit or loss by option, translation adjustments associated with changes in fair value of own credit risk are recognised under other comprehensive income that cannot be reclassified to profit or loss.

Non-monetary items are treated differently depending on the accounting treatment of these items before translation:

- items at historical cost continue to be measured at the exchange rate prevailing at the transaction date (historical rate);
- items at fair value are translated at the exchange rate prevailing at the end of the reporting period.

Translation adjustments on non-monetary items are recognised:

- in the income statement if the gain or loss on the non-monetary item is recorded in the income statement;
- in other comprehensive income if the gain or loss on the non-monetary item is recorded in other comprehensive income that cannot be reclassified to profit or loss.

1.2.9 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)

Fee and commission income and expenses are recognised in income based on the nature of the services with which they are associated:

Fees and commissions that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate.

For other kinds of commissions, recognition in the income statement shall reflect the rate of transfer to the client of control over the good or service sold:

- the profit or loss on a transaction associated with a provision of services is recognised under Commissions, when control of the service is transferred to the client, if it can be reliably estimated. This transfer may occur at the same rate as that at which the service is provided (ongoing service) or at a given date (one-off service).

a. Commissions for ongoing services (commissions on payment instruments, for example) are recognised under profit or loss depending on the degree of completion of the service provided.

b. Commissions received or paid for one-off services are, for their part, entirely recognised under profit or loss when the service is provided.

Commissions payable or receivable pending the attainment of a performance target are recognised at the amount for which it is highly likely that the income thus recognised will not be subsequently subject to a significant downward adjustment once the uncertainty has been resolved. This estimate is updated at each closing date. In practice, this condition results in the deferred recognition of certain performance commissions until the performance assessment period has passed, and until commissions are certain.

1.2.10 LEASES (IFRS 16)

The Group may be party to a lease in the capacity of lessor or lessee.

LEASES IN WHICH THE GROUP IS LESSOR

Lease operations are analysed according to their substance and financial reality. They are classified as finance leases or operating leases, as appropriate.

- Finance leases are treated similarly to the sale of a fixed asset to the lessee, financed by a loan from the lessor. Based on the analysis of the economic substance of finance leases, the lessor:
  a. removes the leased asset from the balance sheet;
  b. records a financial receivable on the client under “financial assets at amortised cost” at a value equal to the discounted value at the interest rate implicit in the contract for lease payments owed to the lessor under the lease, plus any residual non-guaranteed value owed to the lessor;
  c. records deferred taxes due to temporary differences affecting the financial receivable and the net carrying amount of the leased asset;
  d. breaks down the proceeds from the lease payments into interest and principal repayments.
- For operating leases, the lessor reports the leased properties as “property, plant and equipment” on under assets and records the lease income on a straight-line basis as “income from other activities” on the income statement.

LEASES IN WHICH THE GROUP IS LESSEE

Lease transactions are reported on the balance sheet at the date on which the asset is made available for use. The lessee records an asset representative of the right-of-use asset under property, plant and equipment for the estimated term of the lease and a liability in respect of the obligation to make lease payments under other liabilities over this same term.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, adjusted for periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In France, the term used for commercial leases known as “3/6/9” leases is generally 9 years, with an initial non-cancellable period of 3 years. The Group decided to use a lease term corresponding to the first post-5 year termination option as the reasonably certain term of a lease. This term, on initiation of French commercial leases, will be applied in the majority of cases. The main exception is the case of a lease in which the intermediate termination options have been waived (e.g. in exchange for rent reductions); in such case, the lease term will be 9 years. The 5-year term also applies to tacitly renewed leases.

Lease liabilities are recorded for an amount equal to the discounted value of the lease payments over the lease term. Lease payments include fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option or payments of penalties for terminating the lease. Variable lease payments that do not depend on an index or a rate and non-deductible VAT on lease payments are not included in calculation of lease liabilities and are reported as operating expenses.

The default discount rate applicable for the calculation of right-of-use assets and lease liabilities is the lessee's incremental borrowing rate over the term of the lease at the date of signing, when the implicit rate is not easy to determine. The incremental borrowing rate factors in the structure of lease payments. It reflects the conditions of the lease (term, guarantee, economic environment, etc.) – the Group applies the IFRS IC decision of 17 September 2019 since the implementation of IFRS 16 (the decision had no impact).

Lease expenses are broken down into interest and principal.

The right-of-use asset is measured at the initial value of the lease liability plus initial direct costs, advance payments, restoration costs and less lease incentives received. It is amortised over the estimated term of the lease.

Lease liabilities and right-of-use assets can be adjusted in the event of changes to the lease, re-estimation of the lease term or revision of lease payments associated with the application of an index or rate.

Deferred taxes are reported by the lessee in respect of temporary differences on right-of-use assets and lease liabilities.

In line with the exception provided for by IFRS 16, short-term lease payments (initial term of less than twelve months) and payments for leases on low-value assets are not recognised in 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 of intangible assets.

1.2.11 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or group of assets) is classified as held for sale if its carrying amount will be recovered principally from sale rather than continuing use.

For this to be the case, the asset (or group of assets) shall be available for immediate sale in its present condition and its sale must be highly probable.

The relevant assets and liabilities are recorded separately on the balance sheet under "Non-current assets held for sale and discontinued operations" and "Liabilities associated with non-current assets held for sale and discontinued operations".

A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs of sale. A charge for impairment of unrealised gains is recognised in the income statement. Unrealised gains are no longer amortised when they are reclassified.

If the fair value of a disposal group less selling costs is under its carrying amount after impairment of non-current assets, the difference is allocated to other disposal group assets including the financial assets and is recognised under income net of taxes on discontinued operations.

A discontinued operation is any component that the Group has either sold or is classified as held-for-sale, and falls into one of the following situations:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- it is a subsidiary acquired exclusively with a view to resale.

The following items are disclosed on a separate line of the income statement:

- net income after tax from discontinued operations until the date of disposal;
- the gain or loss after tax arising from the disposal or from measurement at fair value less the selling costs of the assets and liabilities constituting the discontinued operations.

1.3 Consolidation principles and methods (IFRS 10, IFRS 11 and IAS 28)

1.3.1 SCOPE OF APPLICATION

The consolidated financial statements include the financial statements of Crédit Agricole CIB and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole CIB exercises control, joint control or significant influence.

DEFINITIONS OF CONTROL

In compliance with international accounting standards, all entities under control, under joint control or under significant influence are consolidated, provided that they are not covered by the exclusions described below.

Exclusive control over an entity is deemed to exist if Crédit Agricole CIB is exposed to or entitled to receive variable returns as a result of its involvement with the entity and if the power it holds over this entity allows it to influence these returns. Power in this context means substantive (voting or contractual) rights. Rights are considered substantive if the holder of the rights can in practice exercise them when decisions about the company's relevant activities are made.

Crédit Agricole CIB is deemed to control a subsidiary through voting rights when its rights give it the practical ability to direct the subsidiary's relevant activities. Crédit Agricole CIB 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 the relevant activities. Control is also deemed to exist where Crédit Agricole CIB holds half or less than half of the voting rights, including potential rights, in an entity but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the size of its stake in the voting rights compared to those of other investors, or other reasons.

Control of a structured entity is not assessed on the basis of voting rights as these have no effect on the entity's returns. When assessing control, consideration is given not only to contractual arrangements in force but also to whether Crédit Agricole CIB was involved in creating the entity and what decisions it made at the time, what agreements were made at its inception and what risks are borne by Crédit Agricole CIB, any rights under agreements that give the investor the power to direct relevant activities in specific circumstances only and any other events or circumstances that indicate the investor can direct the entity's relevant activities. Where a management mandate exists, the scope of the decision-making authority relating to the delegation of power to the manager and the remuneration to which the contractual arrangements entitles are analysed in order to determine whether the manager acts as an agent (delegated power) or principal (for his own account).

Thus, when decisions about the relevant activities of the entity need to be taken, the indicators to be analysed in order to define whether an entity acts as an agent or as the principal are the scope of the decision-making power delegated to the manager over the entity, the remuneration to which the contractual arrangements give entitlement, but also the substantive rights that may affect the decision-maker's capability held by the other parties involved in the entity, and the exposure to the entity and the variability in returns from other interests held in the entity.

Joint control is deemed to exist when there is a contractual division of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous agreement of the joint controllers.

In traditional entities, significant influence is defined as the power to influence but not control a company's financial and operational policies. Crédit Agricole CIB is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

EXCLUSIONS FROM THE SCOPE OF CONSOLIDATION

In accordance with IAS 28, minority holdings held by entities for which the option provided in article 18 of this standard has been exercised are excluded from the scope of consolidation insofar as they are classified as financial assets at fair value through profit or loss by type.

1.3.2 CONSOLIDATION METHODS

Consolidation methods are respectively defined by IFRS 10 and IAS 28 revised. They depend on the type of control exercised by Crédit Agricole CIB over the entities that can be consolidated, regardless of activity or if they have legal entity status:

- full consolidation, for controlled entities, including entities with different financial statement structures, even if their business is not an extension of that of Crédit Agricole CIB;
- the equity method, for the entities over which Crédit Agricole S.A. exercises significant influence or joint control.

Full consolidation consists in substituting for the value of the shares each of the assets and liabilities carried by each subsidiary. The share attributable to non-controlling interests in other comprehensive income and profit or loss is identified separately in the consolidated balance sheet and income statement.

Non-controlling interests meet the definition given in IFRS 10 and include instruments that are present ownership interests that entitle their holders to a proportionate 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 substituting for the value of shares, the Group's proportionate share of the other comprehensive income and profit or loss of the companies in question.

The change in the carrying amount of these shares includes changes in goodwill.

In the event of incremental share purchases or partial disposals with continued joint control or significant influence, Crédit Agricole CIB recognises:

- additional goodwill in the case of an increase in the ownership interest;
- a capital gain or loss on disposal/dilution in profit or loss in the case of a decrease in the ownership interest.

1.3.3 ADJUSTMENTS AND ELIMINATIONS

Adjustments are made to harmonise the methods used to determine the valuation of consolidated companies.

The impact of intra-Group transactions on the consolidated balance sheet and income statement is eliminated for fully consolidated entities.

Capital gains or losses arising from intra-Group asset transfers are eliminated; any potential impairment resulting from an internal disposal is recognised.

1.3.4 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS (IAS 21)

Financial statements of entities representing a "foreign operation" (subsidiary, branch, associate or joint venture) are translated into Euros in two steps:

- translation, where applicable, of the local currency into the functional currency (the currency of the main economic environment in which the entity operates). The translation is done as if the items were initially recognised in the functional currency (same translation principles as for foreign-currency transactions);
- the functional currency is translated into euros, the currency in which the Group's consolidated financial statements are presented. Assets and liabilities, 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 included in the income statement are translated at the average exchange rate for the period. The resulting translation adjustments are recorded as a separate component of other comprehensive income. These translation differences are recognised in profit or loss in the event of a foreign operation is discontinued (sale, repayment of share capital, liquidation, or abandonment of all or part of that entity) or in the event of deconsolidation due to loss of control (even without sale) when recognising profit or loss due to discontinuation or loss of control.

1.3.5 BUSINESS COMBINATIONS - GOODWILL

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control which are excluded from the scope of application of IFRS 3. Pursuant to IAS 8, business combinations are recognised at their carrying amount using the pooling of interests method, with reference to US standard ASU805-50 which seems to comply with IFRS general principles.

At the date of acquisition, the identifiable assets, liabilities and contingent liabilities of the acquired entity which satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

In particular, restructuring costs are only recognised as a liability of the acquired entity if only if restructuring is an obligation of the acquiree at the date of acquisition.

Price adjustment clauses are recognised at fair value even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement. Only price adjustment clauses relating to transactions where control was obtained at the latest by 31 December 2009 may still be recorded against goodwill, because these transactions were accounted for under IFRS 3 pre-revision (2004).

The share of non-controlling interests that are present ownership interests that entitle their holders to a proportionate share of net assets in the event of liquidation may be measured, at the acquirer's discretion, in one of two ways:

- at fair value at the date of acquisition;
- the share of the identifiable assets and liabilities of the acquired company remeasured at fair value.

This option may be exercised at each acquisition.

The balance of non-controlling interests (equity instruments issued by the subsidiary and not held by the Group) shall be recognised at its fair value at the date of acquisition.

The initial measurement of assets, liabilities and contingent liabilities may be revised within a maximum period of twelve months after the date of acquisition.

Some transactions relating to the acquired entity are recognised separately from the business combination, such as:

- transactions that end an existing relationship between the acquired company and the acquiring company;
- transactions that compensate employees or shareholders of the acquired company for future services;
- transactions aimed at having the acquiree or its former shareholders reimbursed for the expenses they covered on behalf of the acquirer.

These separate transactions are generally recognised in the income statement at the acquisition date.

The consideration transferred in respect of a business combination (acquisition costs) 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 (e.g. cash, equity instruments, etc.).

The costs directly attributable to the business combination are recognised as expenses, separately from the business combination. If the transaction has a very strong probability of occurrence, they are recognised under the heading "Net gains (losses) on other assets", otherwise they are recognised under the heading "Operating expenses".

The difference between the sum of acquisition costs and non-controlling interests and the net balance at the date of acquisition of acquired identifiable assets and liabilities assumed, measured at their fair value, is recognised, when it is positive, under assets in the consolidated balance sheet, under the heading "Goodwill" when the acquired entity is fully consolidated and under the heading "Investments in equity-accounted entities" when the acquired company is consolidated using the equity method of accounting. Any negative goodwill is recognised immediately through profit or loss.

Goodwill is carried in the balance sheet at its initial cost in the currency of the acquired entity and translated at the closing rate prevailing at the end of the reporting period.

When control is taken in stages, the interest held before taking control is remeasured at fair value through profit or loss at the date of acquisition and the goodwill is calculated once, using the fair value at the date of acquisition of acquired assets and liabilities assumed.

Goodwill is tested for impairment whenever there is objective evidence of a loss of value and at least once a year.

The choices and assumptions used to measure non-controlling interests at the date of acquisition may influence the amount of initial goodwill and any impairment resulting from a loss of value.

For the purpose of impairment testing, goodwill is allocated to the Group Cash Generating Units (CGUs) that are expected to benefit from the business combination. The CGUs have been defined within the Group's business lines as the smallest identifiable group of assets and liabilities operating under in a single business model. Impairment testing consists in comparing the carrying amount of each CGU, including any goodwill allocated to it, with its recoverable amount.

The recoverable amount of the CGU is defined as the higher of fair value less selling costs and value in use. Value in use is the present value of the estimated future cash flows of the CGU, as set out in medium-term business plans prepared by the Group for management purposes.

When the recoverable amount is lower than the carrying amount, a corresponding impairment loss is recognised for the goodwill allocated to the CGUs. This impairment is irreversible.

In the case of an increase in the interest percentage held by Crédit Agricole CIB in an entity already controlled exclusively, the difference between the acquisition costs and the share of net assets acquired is recorded under "Consolidated reserves Group share". In the event of a decrease in the interest percentage held by Crédit Agricole CIB in an entity that remains exclusively controlled, the difference between the selling price and the carrying amount of the share of the divested position is also recognised directly in "Consolidated reserves Group share". The expenses arising from these transactions are recognised in other comprehensive income.

The accounting treatment of put options granted to minority shareholders is as follows:

- when a put option is granted to the minority shareholders of a fully consolidated subsidiary, a liability is recognised in the balance sheet; on initial recognition, the liability is measured at the estimated present value of the strike price of the options granted. Against this liability, the share of net assets attributable to minority shareholders is reduced to zero and the balance is deducted from other comprehensive income;
- subsequent changes in the estimated value of the strike price affect the amount of the liability, offset by an adjustment to other comprehensive income. Symmetrically, subsequent changes in the share of net assets attributable to minority shareholders are cancelled against other comprehensive income.

When there is a loss of control, the proceeds from the disposal are calculated on the entirety of the entity sold and any investment share kept is recognised in the balance sheet at its fair value on the date control was lost..

NOTE 2: MAJOR STRUCTURAL TRANSACTIONS AND MATERIAL EVENTS DURING THE PERIOD

The scope of consolidation and changes at 31 December 2020 are shown in detail at the end of the notes in Note 12 "Scope of consolidation at 31 December 2020".

2.1 Full disposal of CACIB's residual interest in BSF

On 28 September 2020, Crédit Agricole Corporate & Investment Bank (Crédit Agricole CIB) announced the disposal of its 4% residual interest in Banque Saudi Fransi (BSF). The buyers were two institutional investors belonging to the Saudi public sector. They purchased Crédit Agricole CIB's residual interest in BSF at a price of SAR 30.00 per share, for a total of SAR 1.45 billion, i.e. around €332 million.

As the BSF shares had been recorded in Crédit Agricole CIB's balance sheet as financial assets at fair value through other comprehensive income up to that point, the deal had no impact on the income statement.

At 31 December 2020 Crédit Agricole CIB no longer held any equity interest in Banque Saudi Fransi (BSF).

2.2 Crédit Agricole CIB (Miami) and CA Indosuez Wealth (Brazil) S.A. DTVM

Crédit Agricole CIB (Miami) is a branch of Crédit Agricole CIB (CACIB).

CA Indosuez Wealth (Brazil) S.A. DTVM is a wholly-owned subsidiary of the Crédit Agricole CIB Group.

In 2020, the General Management of Crédit Agricole CIB began the process of selling CA Indosuez Wealth (Brazil) S.A. DTVM and the goodwill associated with the outstanding amounts owed to clients of the Miami branch.

A potential buyer was actively sought, resulting in multiple binding offers in Q4 2020 that lead to negotiations of contractual documentations.

Accordingly, pursuant to IFRS 5, the assets and liabilities of Crédit Agricole CIB (Miami) and CA Indosuez Wealth (Brazil) were reclassified at 31 December 2020 in the balance sheet as "Non-current assets held for sale and discontinued In operations" for €523 million and as "Liabilities associated with non-current assets held for sale and discontinued operations" for €450.8 million.

The impact on the income statement, amounting to -€25 million, was booked to "Net income from discontinued operations".

2.3 Covid-19 health crisis

The Crédit Agricole Group took proactive measures in response to the Covid-19 crisis and its economic consequences. In a bid to support its clients whose businesses had been impacted by the crisis, the Group actively contributed to the economic stimulus measures implemented by the government and marketplace authorities.

GOVERNMENT-BACKED LOANS

In response to the health and economic 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 massive unprecedented government-backed loan programme, in addition to the measures already announced (deferred loan payments, streamlined credit application process, etc.). Corporates can apply for government-backed loans until 30 June 2021.

They have a term of 12 months and offer the buyer the option of amortising the loan over an additional period of 1 to 5 years.

Over this additional period, the loan may be granted an additional amortisation period of one-year in which only interest and the cost of the government guarantee will be paid.

The total term of the loan may not exceed 6 years.

The Group offer for Year 1 is an interest-free loan; only the cost of the guarantee is reinvoiced (via a commission paid by the client) in accordance with the terms of eligibility set out by the State to receive the guarantee.

The amount of the loan may cover up to 3 months of revenue, providing entrepreneurs with access to the cash flow needed to ride out the crisis.

Government-backed loans meet the definition of the "Collect" business model and pass the SPPI test. Accordingly, they are recorded at amortised cost.

At 31 December 2020, 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 €2.5 billion, including a drawdown of €2.3 billion The guarantee provided by the French State on the loans totalled €2.1 billion.

DEFERRED PAYMENTS ON LOANS GRANTED TO CLIENTS

As from March 2020, the Group joined the marketplace initiative launched by French banks, coordinated by the FBF (French Banking Federation), offering up to 6 months of deferred loan payments to Corporate and Professional clients at no additional cost.

Implementing payment deferrals without penalties or additional costs, and maintaining the contractual interest rate over a maximum period of 6 months, means that only interim interest is charged after the deferral over the remaining term of the loan and excluding the cost of any guarantee provided by *Banque Publique d'Investissement.*

In accordance with the Group offer, payment deferrals call for:

- Either an extension of the loan term, if the client wants to maintain the initial repayment schedule;
- Or an increase in the amount of repayments after the deferral if the client wants to maintain the initial loan term.

As a result of the payment deferral, the initial repayments receivable by Crédit Agricole CIB are delayed.

At 31 December 2020, outstanding loans to clients taking part in the deferral of non-contractual repayments amounted to €196 million in France.

IMPACTS OF THESE MEASURES ON CREDIT RISK

The IASB document published on 27 March 2020 on the recognition of expected credit losses in accordance with IFRS 9 on financial instruments in the exceptional circumstances of the Covid-19 crisis stressed the importance of exercising judgement in the application of IFRS 9 principles governing credit risk and classification of the resulting financial instruments.

Because the deferral of payments on loans granted to clients does not systematically imply that the financial position of said clients is called into question, there is no automatic increase in counterparty risk. Contract modifications cannot generally be considered as changes resulting from forbearance due to financial difficulty.

As a result, deferrals do not automatically result in reclassification of exposures from Bucket 1 (impairment based on 12-month ECLs) to Bucket 2 (impairment based on lifetime ECLs), or in their transfer to Bucket 3 (credit-impaired exposures).

Similarly, expected credit losses shall be calculated while incorporating the special circumstances and support measures implemented by the government authorities.

NEW DEFINITION OF DEFAULT

Crédit Agricole CIB had anticipated the implementation of new rules associated with the application of the new definition of default (EBA Guidelines (EBA/GL/2016/7)) and thresholds defined by the European Union (Article 1 of Regulation (EU) 2018/1845 ECB of 21 November 2018), by adjusting its governance and practices as from Q4 2019.

Qualifying as a change in accounting estimate, this adjustment had no material impact on cost of risk and did not result in the reclassification of exposures to Bucket 3.

ASSESSMENT OF CREDIT RISK

As a result of the Covid-19 health and economic crisis, the Group reviewed its forward-looking macroeconomic forecasts for the purpose of determining estimated year-end credit risk. It should be noted that the initial incorporation of the effects of the health crisis and its macroeconomic impacts was already reflected in the financial statements for the Q2 2020 period.

INFORMATION ON MACROECONOMIC SCENARIOS USED

The Group used four scenarios to calculate IFRS 9 provisioning inputs, with projections through 2022 presented as follows.

The four scenarios include differentiated assumptions on the impacts of the Covid-19 crisis for the economy, depending on how quickly and fully mobility, economic activity and consumption is expected to return to normal, and depending in large part on health-related developments which are still highly uncertain at this point (second lockdown taken into account, but also positive outlooks associated with the discovery of vaccines towards the end of the year). Another decisive factor is the level of confidence shown by economic agents: according to the projections of the health, economic and employment plan, this confidence is leading to varying degrees of wait-and-see and precautionary behaviours on the part of households to spend the substantial savings built up during lockdown and the propensity of businesses to make investments. The magnitude, effectiveness and timetable of government stimulus measures have also had a major impact on economic activity trends.

The rebound in Q3 2020, made possible by the end of lockdowns in most European countries, was stronger than expected. French GDP bounced back by 18.2% in Q3 vs. Q2, after sliding 13.7% in Q2 vs. Q1. Europe responded to the massive second covid wave with extensive measures in Q4. In France, it appeared likely that the second lockdown would be extended beyond early December in a bid to gain control over the spread of the virus (target: maximum of 5,000 new cases per day). Given the assumption that lockdown would continue through mid-December, French GDP was expected to decline by 8% in Q4 vs. Q3. Average annual growth in 2020 should not be significantly affected (-10.1% vs. -9.1% predicted in September), but year-on-year growth (i.e. full-year 2021 growth if quarterly GDP hold steady at Q4 2020 levels, i.e. zero QoQ growth) is expected to be negative in 2021 (-1.6%.)

The first scenario calls for a gradual but non-synchronised resolution to the crisis with the growth profit depending significantly on health assumptions, which are subject to major uncertainty. Furthermore, health-related developments and measures implemented are not consistent among European countries.

Scenario 1 makes the assumption that the epidemic will persist in 2021, with a stop-and-go scenario in Q1 and Q2 (alternating periods of relaxed measures, restrictions, and short lockdowns), but generating less adverse consequences than in 2020 (better control of epidemic flows, more relaxed restrictions on mobility). Even with a vaccine on the market, a widespread roll-out is not expected to happen until mid-2021.

French GDP is forecast at +4.6% in 2021, versus 7.3% in the scenario adopted for end-June, including (in Q1 2021) a relatively strong yet more moderate rebound than in Q3 2020, due to cautious easing of lockdowns with restrictive measures such as curfews likely to be maintained; and in Q2 2021, a third wave is predicted (largely due to weather conditions and the inadequate testing strategy) resulting in a shorter lockdown and drop in GDP. Lastly, H2 2021 is expected to usher in a rebound (additional lockdown easing) and improved economic conditions on the back of vaccination campaigns. That said, recovery assumptions are cautious, despite the stimulus measures implemented: some sectors will continue to suffer (aerospace, automotive, trade, tourism, hospitality, catering, culture, etc.), with uncertainties surrounding investment despite the stimulus plan, business failures, persistently high precautionary savings by households dealing with rising unemployment forcing them to limit tapping into the surplus savings accumulated during the successive lockdowns.

Consequently, the ECB should lean towards greater monetary easing and more sovereign debt purchases. Given the persistently pessimistic outlook in terms of growth and inflation, upcoming sovereign debt issues should see the ECB making even more of an effort. No rate cuts are in the cards for the foreseeable future. Net asset purchases under the PEPP (€750 billion in March, bumped up to €1,350 billion in June) are slated to end in June 2021. Under this scenario, the ECB is likely to expand its asset purchase programmes to cover the second half of 2021 and carry over into 2022 (by extending and expanding the PEPP or simply stepping up the APP).

Since risk aversion peaked in March, the yield on the 10-year Bund has struggled to pick up, but has systematically hovered around -0.50%/-0.60%. There is a clear lack of visibility on the progress of the epidemic and the 2021 growth profile, with a widespread and high degree of uncertainty. Moreover, the Bund is still stuck at a very weak level.

The second scenario sees health conditions growing worse and more restrictive measures implemented.

Scenario 2 includes the same assumptions as Scenario 1 for 2020. For 2021, the profile is expected to be relatively comparable in Q1 2021 (cautious lockdown easing), however a stronger and faster third wave is predicted in Q2 2021, leading to stricter lockdowns of around two months versus one month in the central scenario. In Scenario 2, GDP is predicted to fall much further in Q2, followed however by a stronger rebound in Q3.

In 2021, Scenario 2 sees average GDP growing 3% compared with +4.6% in Scenario 1.

The third scenario is slightly more positive than Scenario 1 and calls for a significantly stronger recovery in 2021 (French GDP growth of 7.1% with health conditions returning to normal more quickly).

The fourth, and least likely scenario, points to a slightly stronger economic downturn in 2021, with an additional shock in France accompanied by social tensions, blockades and strikes.

In Scenario 4, French domestic demand would mark a significant decline in H1-21. The virus stubbornly continues to spread. Government stimulus measures are not renewed in 2021, and rising unemployment and business failures are observed.

With the lack of visibility and surplus capacities, business investment is expected to take a turn for the worse.

Households are likely to remain very cautious, making few major purchases.

Social tensions are expected to pick up again and reform programmes halted. Lastly, the French State could see its rating downgraded by one notch.

In this scenario, France could see its gradually recovery delayed in 2021 (average GDP growth of just +1.9%), with economic activity undermined by higher unemployment (12.5% in 2021 versus 10% in 2020).

Furthermore, in terms of:

- the incorporation of **stimulus measures** in IFRS 9 projections: the risk input projection process was revised in 2020 to better reflect the impact of government measures in IFRS 9 forecasts. As a result of this revision, the sudden intensity of the crisis is mitigated, and the strength of the recovery reduced and spread over a longer period (3 years). Variables in terms of interest rate levels and, in general, any variables associated with the capital markets, were not changed because their forecasts already structurally incorporate the effects of the stimulus plans.
- **Sector and local scenarios:** additional local forward-looking data at CACIB Group level may end up rounding out the macroeconomic scenarios defined by the Crédit Agricole Group.

At end-December 2020, the share of Bucket 1/Bucket 2 provisions (provisions for performing exposures) and Bucket 3 provisions (provisions for incurred risks) represented **30%** and **70%**, respectively, of the Crédit Agricole CIB scope of operations.

At end-December 2020, net reversals of Bucket 1/Bucket 2 provisions made up **46%** of annual cost of risk recorded by **Crédit Agricole CIB** versus **54%** for Bucket 3 incurred risk and other provisions.

Sensitivity analysis of IFRS 9 provisions (Bucket 1 and 2 ECLs)

Scenario 1 was weighted at 55% for the calculation of Q4-2020 IFRS ECLs . For example, the 10-point decline in the weighting of Scenario 1 in Q4-2020 calculations in favour of the more adverse Scenario 2 would increase ECLs by around 0.1% for Crédit Agricole CIB.

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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")

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", by accounting category and type of instrument.

Financial assets at amortised cost: Debt securities

	Performing assets				Credit-impaired assets (Bucket 3)		Total		
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)						
In millions of euros	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 2019	**37,231**	**(7)**	**358**	**(10)**	**23**	**(15)**	**37,612**	**(32)**	**37,580**
Transfer between buckets during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Bucket 1 to Bucket 2	-	-	-	-	-	-	-	-	-
Return from Bucket 2 to Bucket 1	-	-	-	-	-	-	-	-	-
Transfer to Bucket 3 [1]	-	-	-	-	-	-	-	-	-
Return from Bucket 3 to Bucket 2 / Bucket 1	-	-	-	-	-	-	-	-	-
Total after transfer	**37,231**	**(7)**	**358**	**(10)**	**23**	**(15)**	**37,612**	**(32)**	**37,580**
Changes in gross carrying amounts and loss allowances	**(3,021)**	**1**	**(44)**	**10**	**(1)**	**(8)**	**(3,066)**	**3**	**-**
New production : purchase, granting, origination,… [2]	27,338	(11)	315	-	-	-	27,653	(11)	-
Derecognition : disposal, repayment, maturity...	(28,623)	12	(357)	10	-	-	(28,980)	22	-
Write-off	-	-	-	-	-	-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	-	-	-	-	(9)	-	(9)	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-	-	-
Other	(1,736)	-	(2)	-	(1)	1	(1,739)	1	-
Total	**34,210**	**(6)**	**314**	**-**	**22**	**(23)**	**34,546**	**(29)**	**34,517**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	373	-	-	-	-	-	373	-	-
Balance at 31 december 2020	**34,583**	**(6)**	**314**	**-**	**22**	**(23)**	**34,919**	**(29)**	**34,890**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-	-	-	-	-	-	-	-	-

[1] Transfers to Bucket 3 correspond to stocks initially classified in Bucket 1, which during the year have been downgraded directly in Bucket 3, or in Bucket 2 and then in Bucket 3. The Buckets provisioning principles are pesented in “accounting policies and principles” of Crédit Agricole CIB in the chapter “Risk factor - credit risk”

[2] Originations in Bucket 2 could include some outstandings originated in Bucket 1 reclassified in Bucket 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 (Bucket 3)		Total		
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)						
In millions of euros	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 2019	**15,873**	**(1)**	**12**	**-**	**500**	**(388)**	**16,385**	**(389)**	**15,996**
Transfer between buckets during the period	**(61)**	**-**	**61**	**-**	**-**	**-**	**0**	**0**	**-**
Transfer from Bucket 1 to Bucket 2	(62)	-	62	-	-	-	-	-	-
Return from Bucket 2 to Bucket 1	1	-	(1)	-	-	-		-	-
Transfer to Bucket 3 [1]	-	-	-	-	-	-	-	-	-
Return from Bucket 3 to Bucket 2 / Bucket 1	-	-	-	-	-	-	-	-	-
Total after transfer	**15,812**	**(1)**	**73**	**-**	**500**	**(388)**	**16,385**	**(389)**	**15,996**
Changes in gross carrying amounts and loss allowances	**10,844**	**(3)**	**(18)**	**-**	**(100)**	**33**	**10,726**	**30**	**-**
New production : purchase, granting, origination,… [2]	67,200	(23)	-	-	-	-	67,200	(23)	-
Derecognition : disposal, repayment, maturity...	(55,873)	9	(16)	-	(66)	5	(55,955)	14	-
Write-off	-	-	-	-	(3)	3	(3)	3	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	6	-	-	-	(1)	-	5	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	37	-	-	-	-	-	37	-	-
Other	(520)	5	(2)	-	(31)	26	(553)	31	-
Total	**26,656**	**(4)**	**55**	**-**	**400**	**(355)**	**27,111**	**(359)**	**26,752**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	(11)	-	-	-	1	-	(10)	-	-
Balance at 31 december 2020	**26,645**	**(4)**	**55**	**-**	**401**	**(355)**	**27,101**	**(359)**	**26,742**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-	-	-	-	-	-	-	-	-

[1] *Transfers to Bucket 3 correspond to stocks initially classified in Bucket 1, which during the year have been downgraded directly in Bucket 3, or in Bucket 2 and then in Bucket 3. The Buckets provisioning principles are pesented in "accounting policies and principles" of Crédit Agricole CIB in the chapter "Risk factor - credit risk".*

[2] *Originations in Bucket 2 could include some originated loans in Bucket 1 reclassified in Bucket 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.*

▶ Financial assets at amortised cost: Loans and receivables due from clients

	Performing assets				Credit-impaired assets (Bucket 3)		Total		
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)						
In millions of euros	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 2019	**132,615**	**(160)**	**10,064**	**(270)**	**3,408**	**(1,793)**	**146,087**	**(2,223)**	**143,864**
Transfer between buckets during the period	**(11,662)**	**10**	**9,841**	**(113)**	**1,820**	**(364)**	**(1)**	**(467)**	**-**
Transfer from Bucket 1 to Bucket 2	(12,354)	16	12,354	(202)	-	-	-	(186)	-
Return from Bucket 2 to Bucket 1	1,291	(8)	(1,292)	10	-	-	(1)	2	-
Transfer to Bucket 3 [1]	(622)	2	(1,299)	90	1,921	(377)	-	(285)	-
Return from Bucket 3 to Bucket 2 / Bucket 1	23	-	78	(11)	(101)	13	-	2	-
Total after transfer	**120,953**	**(150)**	**19,905**	**(383)**	**5,228**	**(2,157)**	**146,086**	**(2,690)**	**143,396**
Changes in gross carrying amounts and loss allowances	**2,096**	**(25)**	**(2,529)**	**(189)**	**(1,302)**	**223**	**(1,735)**	**9**	**-**
New production : purchase, granting, origination, renegociation… [2]	135,929	(373)	4,499	(490)	-	-	140,428	(863)	-
Derecognition : disposal, repayment, maturity...	(128,668)	333	(6,122)	549	(696)	90	(135,486)	972	-
Write-off	-	-	-	-	(386)	372	(386)	372	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	(19)	5	(19)	5	-
Changes in models' credit risk parameters during the period	-	1	-	(284)	-	(365)	-	(648)	-
Changes in model / methodology	-	-	-	17	-	-	-	17	-
Changes in scope	-	-	-	-	-	-	-	-	-
Other	(5,165)	14	(906)	19	(201)	121	(6,272)	154	-
Total	**123,049**	**(175)**	**17,376**	**(572)**	**3,926**	**(1,934)**	**144,351**	**(2,681)**	**141,670**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	59	-	26	-	242	-	327	-	-
Balance at 31 december 2020	**123,108**	**(175)**	**17,402**	**(572)**	**4,169**	**(1,934)**	**144,679**	**(2,681)**	**141,998**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-	-	-	-	-	-	-	-	-

[1] Transfers to Bucket 3 correspond to stocks initially classified in Bucket 1, which during the year have been downgraded directly in Bucket 3, or in Bucket 2 and then in Bucket 3. The Buckets provisioning principles are pesented in "accounting policies and principles" of Crédit Agricole CIB in the chapter "Risk factor - credit risk".

[2] Originations in Bucket 2 could include some originated loans in Bucket 1 reclassified in Bucket 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 2020, 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 €2,5 billion.

[5] As of 31 december 2020, as part of the measures to support the economy in the health crisis linked to Covid-19, Crédit Agricole CIB granted non-contractual deadline extensions to customers for €196 million.

Regarding Bucket 3 - this line covers the assessment of credit risk on already credit-impaired exposures.

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Financial assets at fair value through other comprehensive income: Debt securities

	Performing assets				Credit-impaired assets (Bucket 3)		Total	
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)					
In millions of euros	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance
Balance at 31 december 2019	**8,883**	**(4)**	**-**	**-**	**-**	**(3)**	**8,883**	**(7)**
Transfer between buckets during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Bucket 1 to Bucket 2	-	-	-	-	-	-	-	-
Return from Bucket 2 to Bucket 1	-	-	-	-	-	-	-	-
Transfer to Bucket 3 [1]	-	-	-	-	-	-	-	-
Return from Bucket 3 to Bucket 2 / Bucket 1	-	-	-	-	-	-	-	-
Total after transfer	**8,883**	**(4)**	**-**	**-**	**-**	**(3)**	**8,883**	**(7)**
Changes in gross carrying amounts and loss allowances	**2,159**	**(2)**	**-**	**-**	**-**	**-**	**2,159**	**(2)**
Fair value revaluation during the period	91	-	-	-	-	-	91	-
New production : purchase, granting, origination,… [2]	11,259	(9)	-	-	-	-	11,259	(9)
Derecognition : disposal, repayment, maturity...	(8,623)	8	-	-	-	-	(8,623)	8
Write-off	-	-	-	-	-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	(1)	-	-	-	-	-	(1)
Changes in model / methodology	-	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-	-
Other	(568)	-	-	-	-	-	(568)	-
Total	**11,042**	**(6)**	**-**	**-**	**-**	**(3)**	**11,042**	**(9)**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	-	-	-	-	-	-	-	-
Balance at 31 december 2020	**11,042**	**(6)**	**-**	**-**	**-**	**(3)**	**11,042**	**(9)**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-	-	-	-	-	-	-	-

[1] Transfers to Bucket 3 correspond to stocks initially classified in Bucket 1, which during the year have been downgraded directly in Bucket 3, or in Bucket 2 and then in Bucket 3. The Buckets provisioning principles are pesented in “accounting policies and principles” of Crédit Agricole CIB in the chapter “Risk factor - credit risk”.

[2] Originations in Bucket 2 could include some originated loans in Bucket 1 reclassified in Bucket 2 during the period.

[3] Includes impacts related to the use of the EIR method (notably the amortisation of premiums/discounts)

▶ Loan commitments

	Performing assets				Credit-impaired assets (Bucket 3)		Total		
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)						
In millions of euros	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 2019	**110,507**	**(84)**	**3,051**	**(110)**	**211**	**(28)**	**113,769**	**(222)**	**113,547**
Transfer between buckets during the period	**(3,640)**	**12**	**3,549**	**(64)**	**91**	**(27)**	**-**	**(79)**	**-**
Transfer from Bucket 1 to Bucket 2	(3,979)	17	3,979	(75)	-	-	-	(58)	-
Return from Bucket 2 to Bucket 1	392	(5)	(392)	6	-	-	-	1	-
Transfer to Bucket 3 [1]	(53)	-	(57)	5	110	(27)	-	(22)	-
Return from Bucket 3 to Bucket 2 / Bucket 1	-	-	19	-	(19)	-	-	-	-
Total after transfer	**106,867**	**(72)**	**6,600**	**(174)**	**302**	**(55)**	**113,769**	**(301)**	**113,468**
Changes in commitments and loss allowances	**6,950**	**(21)**	**(701)**	**21**	**(87)**	**12**	**6,162**	**12**	**-**
New commitments given [2]	92,346	(285)	1,791	(297)	-	-	94,137	(582)	-
End of commitments	(84,152)	258	(2,201)	339	(160)	22	(86,513)	619	-
Write-off	-	-	-	-	(1)	1	(1)	1	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	3	-	(33)	-	(13)	-	(43)	-
Changes in model / methodology	-	-	-	1	-	-	-	1	-
Changes in scope	-	-	-	-	-	-	-	-	-
Other	(1,244)	3	(291)	11	74	2	(1,461)	16	-
Balance at 31 december 2020	**113,817**	**(93)**	**5,899**	**(153)**	**215**	**(43)**	**119,931**	**(289)**	**119,642**

[1] *Transfers to Bucket 3 comprise exposures initially classified in Bucket 1, which were directly declassified to Bucket 3, or to Bucket 2 then Bucket 3, over the course of the year. The principles governing provisions for the different buckets are described in Crédit Agricole CIB's "Accounting policies and principles" in the "Risk factors – Credit risk" chapter.*

[2] *New commitments in Bucket 2 could include some originated commitments in Bucket 1 reclassified in Bucket 2 during the period.*

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▶ Guarantee commitments

	Performing assets				Credit-impaired assets (Bucket 3)		Total		
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)						
In millions of euros	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 2019	**48,893**	**(16)**	**3,400**	**(16)**	**754**	**(188)**	**53,047**	**(220)**	**52,827**
Transfer between buckets during the period	**(851)**	**-**	**724**	**(2)**	**127**	**(14)**	**-**	**(16)**	**-**
Transfer from Bucket 1 to Bucket 2	(1,050)	1	1,050	(4)	-	-	-	(3)	-
Return from Bucket 2 to Bucket 1	299	(1)	(299)	1	-	-	-	-	-
Transfer to Bucket 3 [1]	(100)	-	(27)	1	127	(14)	-	(13)	-
Return from Bucket 3 to Bucket 2 / Bucket 1	-	-	-	-	-	-	-	-	-
Total after transfer	**48,042**	**(16)**	**4,124**	**(18)**	**881**	**(202)**	**53,047**	**(236)**	**52,811**
Changes in commitments and loss allowances	**627**	**2**	**(501)**	**(3)**	**(266)**	**102**	**(140)**	**101**	**-**
New commitments given [2]	43,720	(79)	2,797	(62)	-	-	46,517	(141)	-
End of commitments	(40,719)	81	(3,146)	64	(670)	156	(44,535)	301	-
Write-off	-	-	-	-	(12)	12	(12)	12	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period	-	-	-	(4)	-	(76)	-	(80)	-
Changes in model / methodology	-	-	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-	-	-
Other	(2,374)	-	(152)	(1)	416	10	(2,110)	9	-
Balance at 31 december 2020	**48,669**	**(14)**	**3,623**	**(21)**	**615**	**(100)**	**52,907**	**(135)**	**52,772**

[1] Transfers to Bucket 3 comprise exposures initially classified in Bucket 1, which were directly declassified to Bucket 3, or to Bucket 2 then Bucket 3, over the course of the year. The principles governing provisions for the different buckets are described in Crédit Agricole CIB's "Accounting policies and principles" in the "Risk factors – Credit risk" chapter.

[2] New commitments in Bucket 2 could include some originated commitments in Bucket 1 reclassified in Bucket 2 during the period.

3.1.1 MAXIMUM EXPOSURE TO CREDIT RISK

The maximum exposure to credit risk of an entity corresponds to the carrying amount, net of any loss of recorded value and not taking account of assets held as collateral or other credit enhancements (for example, offsetting agreements which do not meet the offsetting conditions according to IAS 32).

The tables below present maximum exposures and the amount of assets held as collateral and other credit enhancement techniques which make it possible to reduce this exposure.

Impaired assets at the reporting date correspond to impaired assets (Bucket 3).

▶ Financial assets not subject to impairment requirements (accounted at fair value through profit or loss)

	31.12.2020					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
In millions of euros	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**	**-**

	31.12.2019					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
In millions of euros	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)	**242,531**	**-**	**3,327**	**1,798**	**79**	**-**
Financial assets held for trading	242,168	-	-	1,769	-	-
Debt instruments that do not meet the conditions of the “SPPI” test	363	-	3,327	29	79	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Hedging derivative Instruments	**1,550**	**-**	**-**	**1,298**	**-**	**-**
TOTAL	**244,081**	**-**	**3,327**	**3,096**	**79**	**-**

▶ Financial assets subject to impairment requirements

	31.12.2020					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
In millions of euros	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	-

	31.12.2019					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
In millions of euros	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	**8,883**	**-**	**-**	**-**	**-**	**-**
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	**8,883**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Financial assets at amortised cost	**197,423**	**-**	**38,238**	**3,714**	**34,871**	**289**
of which impaired assets at the reporting date	1,735	-	-	30	244	-
Loans and receivables due from credit institutions	**15,979**	**-**	**-**	**81**	**5,116**	**-**
of which impaired assets at the reporting date	112	-	-	-	77	-
Loans and receivables due from customers	**143,864**	**-**	**38,238**	**3,633**	**29,755**	**288**
of which impaired assets at the reporting date	1,614	-	-	30	168	-
Debt securities	**37,580**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	9	-	-	-	-	-
Total	**206,306**	**-**	**38,238**	**3,714**	**34,871**	**288**
of which impaired assets at the reporting date	1,735	-	-	30	244	-

Off-balance sheet commitments subject to impairment requirements

	31.12.2020					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
In millions of euros	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Guarantee commitments (Except internal transactions to the group Crédit 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 Crédit 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	-

	31.12.2019					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
In millions of euros	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Guarantee commitments (Except internal transactions to the group Crédit Agricole)	**52,827**	**-**	**-**	**211**	**2,442**	**784**
of which provisioned commitments at the reporting date	567	-	-	60	9	-
Financing commitments (Except internal transactions to the group Crédit Agricole)	**113,547**	**-**	**145**	**613**	**12,698**	**7,785**
of which provisioned commitments at the reporting date	184	-	-	-	51	-
Total	**166,374**	**-**	**145**	**824**	**15,140**	**8,569**
of which provisioned commitments at the reporting date	751	-	-	60	61	-

A description of the assets held as collateral is presented in Note 9 “Financing and guarantee commitments and other guarantees”.

3.1.2 CREDIT RISK CONCENTRATIONS

Carrying amounts and amounts of commitments are presented net of impairment 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 Universal Registration Document.

▶ Financial assets at amortised cost

		31.12.2020				31.12.2019			
		Carrying amount				Carrying amount			
		Performing assets				Performing assets			
In millions of euros	Credit risk rating grades	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
Non-retail customers [1]	PD ≤ 0,6%	155,653	3,621	-	159,274	156,271	3,492	-	159,763
	0,6% < PD ≤ 12%	17,191	11,104	-	28,295	17,196	4,439	-	21,635
	12% < PD < 100%	-	2,979	-	2,979	-	2,460	-	2,460
	PD = 100%	-	-	4,527	4,527	-	-	3,825	3,825
Total Non-retail customers		**172,844**	**17,704**	**4,527**	**195,075**	**173,467**	**10,391**	**3,825**	**187,683**
Retail customers [2]	PD ≤ 0,5%	11,027	19	-	11,046	11,752	9	-	11,761
	0,5% < PD ≤ 2%	463	1	-	464	479	1	-	480
	2% < PD ≤ 20%	1	47	-	48	23	23	-	46
	20% < PD < 100%	-	-	-	-	-	9	-	9
	PD = 100%	-	-	67	67	-	-	107	107
Total Retail customers		**11,491**	**67**	**67**	**11,625**	**12,254**	**42**	**107**	**12,403**
Impairment		(184)	(574)	(2,310)	(3,068)	(170)	(280)	(2,196)	(2,646)
TOTAL		**184,151**	**17,197**	**2,284**	**203,632**	**185,551**	**10,153**	**1,736**	**197,440**

[1] Corporate clients include general government, credit institutions, central banks, financial firms and other non-financial businesses.
[2] Non-corporate clients correspond to professional clients, small businesses and households mainly related to the activity of the private bank.

▶ Financial assets at fair value through other comprehensive income that can be reclassified to profit or loss

		31.12.2020				31.12.2019			
		Carrying amount				Carrying amount			
		Performing assets				Performing assets			
In millions of euros	Credit risk rating grades	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
Non-retail customers [1]	PD ≤ 0,6%	10,945	-	-	10,945	8,806	-	-	8,806
	0,6% < PD ≤ 12%	97	-	-	97	77	-	-	77
	12% < PD < 100%	-	-	-	-	-	-	-	-
	PD = 100%	-	-	-	-	-	-	-	-
Total Non-retail customers		**11,042**	**-**	**-**	**11,042**	**8,883**	**-**	**-**	**8,883**
Retail customers [2]	PD ≤ 0,5%	-	-	-	-	-	-	-	-
	0,5% < PD ≤ 2%	-	-	-	-	-	-	-	-
	2% < PD ≤ 20%	-	-	-	-	-	-	-	-
	20% < PD < 100%	-	-	-	-	-	-	-	
	PD = 100%	-	-	-	-	-	-	-	
Total Retail customers		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL		**11,042**	**-**	**-**	**11,042**	**8,883**	**-**	**-**	**8,883**

[1] Corporate clients consist of general governments, banks, central banks, financial companies and other non-financial companies.
[2] Non-corporate clients consist of professional clients, VSEs and households, predominantly in the Private Banking business.

▶ Loan commitments

		31.12.2020				31.12.2019			
		Amount of commitment				Amount of commitment			
		Performing commitments				Performing commitments			
In millions of euros	Credit risk rating grades	Commit-ments subject to 12-month ECL (Bucket 1)	Commit-ments subject to lifetime ECL (Bucket 2)	Provisioned commit-ments (Bucket 3)	Total	Commit-ments subject to 12-month ECL (Bucket 1)	Commit-ments subject to lifetime ECL (Bucket 2)	Provisioned commit-ments (Bucket 3)	Total
Non-retail customers [1]	PD ≤ 0,6%	103,136	897	-	104,033	98,617	858	-	99,475
	0,6% < PD ≤ 12%	8,766	4,302	-	13,068	9,434	1,628	-	11,062
	12% < PD < 100%	-	694	-	694	-	560	-	560
	PD = 100%	-	-	212	212	-	-	209	209
Total Non-retail customers		**111,902**	**5,893**	**212**	**118,007**	**108,051**	**3,046**	**209**	**111,306**
Retail customers [2]	PD ≤ 0,5%	1,780	-	-	1,780	2,292	1	-	2,293
	0,5% < PD ≤ 2%	136	1	-	137	165	-	-	165
	2% < PD ≤ 20%	-	3	-	3	1	-	-	1
	20% < PD < 100%	-	-	-	-	-	1	-	1
	PD = 100%	-	-	3	3	-	-	3	3
Total Retail customers		**1,916**	**4**	**3**	**1,923**	**2,458**	**2**	**3**	**2,463**
Provisions [3]		(93)	(153)	(42)	(288)	(85)	(109)	(28)	(222)
TOTAL		**113,725**	**5,744**	**173**	**119,642**	**110,424**	**2,939**	**184**	**113,547**

[1] *Corporate clients include general government, credit institutions, central banks, financial firms and other non-financial businesses.*
[2] *Non-corporate clients consist of professional clients, VSEs and households, predominantly in the Private Banking business.*
[3] *Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

▶ Guarantee commitments

		31.12.2020				31.12.2019			
		Amount of commitment				Amount of commitment			
		Performing commitments				Performing commitments			
In millions of euros	Credit risk rating grades	Commit-ments subject to 12-month ECL (Bucket 1)	Commit-ments subject to lifetime ECL (Bucket 2)	Provisioned commit-ments (Bucket 3)	Total	Commit-ments subject to 12-month ECL (Bucket 1)	Commit-ments subject to lifetime ECL (Bucket 2)	Provisioned commit-ments (Bucket 3)	Total
Non-retail customers [1]	PD ≤ 0,6%	44,296	1,088	-	45,384	44,624	1,328	-	45,952
	0,6% < PD ≤ 12%	3,720	1,125	-	4,845	3,529	962	-	4,491
	12% < PD < 100%	-	1,407	-	1,407	-	1,109	-	1,109
	PD = 100%	-	-	616	616	-	-	755	755
Total Non-retail customers		**48,016**	**3,620**	**616**	**52,252**	**48,153**	**3,399**	**755**	**52,307**
Retail customers [2]	PD ≤ 0,5%	620	-	-	620	699	-	-	698
	0,5% < PD ≤ 2%	31	-	-	31	38	-	-	38
	2% < PD ≤ 20%	1	2	-	3	3	-	-	3
	20% < PD < 100%	-	-	-	-	-	-	-	-
	PD = 100%	-	-	-	-	-	-	-	-
Total Retail customers		**652**	**2**	**-**	**654**	**740**	**-**	**-**	**739**
Provisions [3]		(14)	(21)	(99)	(134)	(16)	(16)	(188)	(220)
TOTAL		**48,654**	**3,601**	**517**	**52,772**	**48,877**	**3,383**	**567**	**52,826**

[1] *Corporate clients consist of general governments, banks, central banks, financial companies and other non-financial companies.*
[2] *Non-corporate clients consist of professional clients, VSEs and households, predominantly in the Private Banking business.*
[3] *Expected or incurred losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

3.1.3 CREDIT RISK CONCENTRATIONS BY CLIENT TYPE

Financial assets at amortised cost by client type

In millions of euros	31.12.2020				31.12.2019			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
General administration	17,091	698	58	17,847	19,532	127	105	19,764
Central banks	2,706	-	-	2,706	2,140	-	-	2,140
Credit institutions	32,049	55	402	32,506	20,918	11	501	21,430
Large corporates	120,997	16,950	4,068	142,015	130,877	10,253	3,219	144,349
Retail customers	11,492	68	66	11,626	12,254	42	107	12,403
Impairment	(184)	(574)	(2,310)	(3,068)	(170)	(280)	(2,196)	(2,646)
TOTAL	**184,151**	**17,197**	**2,284**	**203,632**	**185,551**	**10,153**	**1,736**	**197,440**

Financial assets at fair value through other comprehensive income that can be reclassified to profit or loss, by client type

In millions of euros	31.12.2020				31.12.2019			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
General administration	7,311	-	-	7,311	5,966	-	-	5,966
Central banks	66	-	-	66	87	-	-	87
Credit institutions	2,923	-	-	2,923	2,083	-	-	2,083
Large corporates	742	-	-	742	747	-	-	747
Retail customers	-	-	-	-	-	-	-	-
TOTAL	**11,042**	**-**	**-**	**11,042**	**8,883**	**-**	**-**	**8,883**

Due to clients by client type

In millions of euros	31.12.2020	31.12.2019
General administration	7,377	21,194
Large corporates	120,391	90,146
Retail customers	21,316	22,012
TOTAL AMOUNT DUE TO CUSTOMERS	**149,084**	**133,352**

Loan commitments by client type

In millions of euros	31.12.2020				31.12.2019			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
General administration	2,921	743	-	3,664	2,581	214	17	2,812
Central banks	-	-	-	-	94	-	-	94
Credit institutions	8,396	-	-	8,396	8,426	-	-	8,426
Large corporates	100,583	5,154	212	105,949	97,529	2,832	192	100,553
Retail customers	1,916	3	3	1,922	1,878	3	3	1,884
Provisions [1]	(93)	(154)	(42)	(289)	(85)	(109)	(28)	(222)
TOTAL	**113,723**	**5,746**	**173**	**119,642**	**110,423**	**2,940**	**184**	**113,547**

[1] *Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

▶ Guarantee commitments by client type

	31.12.2020				31.12.2019			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
In millions of euros	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
General administration	1	-	-	1	40	6	-	46
Central banks	464	-	-	464	510	-	-	510
Credit institutions	5,876	34	2	5,912	6,023	24	20	6,067
Large corporates	41,674	3,586	613	45,873	41,580	3,369	735	45,684
Retail customers	653	2	1	656	740	-	-	740
Provisions [1]	(14)	(21)	(99)	(134)	(16)	(16)	(188)	(220)
TOTAL	**48,654**	**3,601**	**517**	**52,772**	**48,877**	**3,383**	**567**	**52,827**

[1] *Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

3.1.4 CREDIT RISK CONCENTRATIONS BY GEOGRAPHIC AREA

▶ Financial assets at amortised cost by geographical area

	31.12.2020				31.12.2019			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
In millions of euros	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
France (including overseas departments and territories)	49,283	3,580	808	**53,671**	36,844	1,461	662	**38,967**
Other European Union countries	44,168	3,494	869	**48,531**	44,757	2,239	917	**47,913**
Other European countries	13,577	501	213	**14,291**	14,422	595	186	**15,203**
North America	25,783	3,324	293	**29,400**	32,074	944	390	**33,408**
Central and South America	6,794	2,059	1,204	**10,057**	9,369	1,209	685	**11,263**
Africa and Middle East	11,333	1,841	677	**13,851**	11,348	1,810	836	**13,994**
Asia-Pacific (ex. Japan)	29,586	1,778	299	**31,663**	30,341	1,690	256	**32,287**
Japan	3,811	1,194	231	**5,236**	5,317	485	-	**5,802**
Supranational organisations	-	-	-	**-**	1,249	-	-	**1,249**
Impairment	(184)	(574)	(2,310)	**(3,068)**	(170)	(280)	(2,196)	**(2,646)**
TOTAL	**184,151**	**17,197**	**2,284**	**203,632**	**185,551**	**10,153**	**1,736**	**197,440**

▶ Financial assets at fair value through other comprehensive income that can be reclassified to profit or loss, by geographic area

	31.12.2020				31.12.2019			
	Carrying amount				Carrying amount			
	Performing assets				Performing assets			
In millions of euros	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
France (including overseas departments and territories)	2,017	-	-	**2,017**	1,708	-	-	**1,708**
Other European Union countries	4,212	-	-	**4,212**	3,334	-	-	**3,334**
Other European countries	506	-	-	**506**	561	-	-	**561**
North America	2,203	-	-	**2,203**	1,873	-	-	**1,873**
Central and South America	112	-	-	**112**	77	-	-	**77**
Africa and Middle East	331	-	-	**331**	66	-	-	**66**
Asia-Pacific (ex. Japan)	842	-	-	**842**	435	-	-	**435**
Japan	699	-	-	**699**	368	-	-	**368**
Supranational organisations	120	-	-	**120**	461	-	-	**461**
TOTAL	**11,042**	**-**	**-**	**11,042**	**8,883**	**-**	**-**	**8,883**

3.1.5 DEBTS DUE TO CUSTOMERS BY GEOGRAPHIC AREA

In millions of euros	31.12.2020	31.12.2019
France (including overseas departments and territories)	34,536	29,395
Other European Union countries	41,677	38,549
Other European countries	12,487	10,786
North America	22,448	14,031
Central and South America	5,204	4,081
Africa and Middle East	6,595	10,632
Asia-Pacific (ex. Japan)	13,630	12,712
Japan	12,507	13,162
Supranational organisations	-	4
TOTAL AMOUNT DUE TO CUSTOMERS	**149,084**	**133,352**

▶ Loan commitments by geographic area

	31.12.2020				31.12.2019			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
In millions of euros	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
France (including overseas departments and territories)	38,074	662	41	**38,777**	33,316	376	9	**33,701**
Other European Union countries	35,384	1,102	148	**36,634**	31,064	1,016	37	**32,117**
Other European countries	5,749	164	2	**5,915**	5,926	169	69	**6,164**
North America	22,324	2,446	3	**24,773**	25,664	1,101	80	**26,845**
Central and South America	1,939	1,231	1	**3,171**	3,390	63	17	**3,470**
Africa and Middle East	3,331	281	-	**3,612**	3,652	211	-	**3,863**
Asia-Pacific (ex. Japan)	6,146	14	20	**6,180**	6,538	84	-	**6,622**
Japan	869	-	-	**869**	958	29	-	**987**
Supranational organisations	-	-	-	**-**	-	-	-	**-**
Provisions [1]	(93)	(154)	(42)	**(289)**	(85)	(109)	(28)	**(222)**
TOTAL	**113,723**	**5,746**	**173**	**119,642**	**110,423**	**2,940**	**184**	**113,547**

[1] *Expected or recorded losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

Guarantee commitments by geographic area

	31.12.2020				31.12.2019			
	Amount of commitment				Amount of commitment			
	Performing commitments				Performing commitments			
In millions of euros	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
France (including overseas departments and territories)	11,469	327	11	11,807	11,848	190	20	12,058
Other European Union countries	11,830	1,395	487	13,712	11,295	1,424	247	12,966
Other European countries	3,061	140	-	3,201	4,240	706	-	4,946
North America	11,447	1,267	53	12,767	10,242	635	397	11,274
Central and South America	1,340	3	18	1,361	1,057	1	29	1,087
Africa and Middle East	1,554	48	29	1,631	2,322	24	62	2,408
Asia-Pacific (ex. Japan)	6,681	334	18	7,033	6,414	234	-	6,648
Japan	1,286	108	-	1,394	1,475	185	-	1,660
Supranational organisations	-	-	-	-	-	-	-	-
Provisions [1]	(14)	(21)	(99)	(134)	(16)	(16)	(188)	(220)
TOTAL	**48,654**	**3,601**	**517**	**52,772**	**48,877**	**3,383**	**567**	**52,827**

[1] *Expected or incurred losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.*

6

3.2 Market risk

3.2.1 DERIVATIVE INSTRUMENTS: ANALYSIS BY REMAINING MATURITY

The breakdown of the MtMs of derivative instruments is shown by remaining contractual maturity.

▶ Hedging derivatives – Fair value of assets

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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**

	31.12.2019						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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	**-**	**-**	**-**	**872**	**26**	**8**	**906**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	872	26	8	906
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**111**	**2**	**-**	**113**
Currency futures	-	-	-	111	2	-	113
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**36**	**-**	**-**	**36**
Other	-	-	-	36	-	-	36
Subtotal	**-**	**-**	**-**	**1,019**	**28**	**8**	**1,055**
Forward currency transactions	-	-	-	494	1	-	495
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - ASSETS	**-**	**-**	**-**	**1,513**	**29**	**8**	**1,550**

Hedging derivatives – Fair value of liabilities

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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**

	31.12.2019						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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	**-**	**-**	**-**	**855**	**57**	**24**	**936**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	855	57	24	936
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	**-**	**-**	**-**	**125**	**1**	**-**	**126**
Currency futures	-	-	-	125	1	-	126
Currency options	-	-	-	-	-	-	-
Other instruments	**-**	**-**	**-**	**24**	**-**	**-**	**24**
Other	-	-	-	24	-	-	24
Subtotal	**-**	**-**	**-**	**1,004**	**58**	**24**	**1,086**
Forward currency transactions	-	-	-	248	-	-	248
TOTAL FAIR VALUE OF HEDGING DERIVATIVES - LIABILITIES	**-**	**-**	**-**	**1,252**	**58**	**24**	**1,334**

▶ Derivatives held for trading – Fair value of assets

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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**

	31.12.2019						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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	**9**	**2**	**-**	**3,138**	**23,163**	**64,786**	**91,098**
Futures	2	-	-	-	-	-	2
FRAs	-	-	-	3	44	-	47
Interest rate swaps	-	-	-	2,634	19,352	51,639	73,625
Interest rate options	-	-	-	43	2,357	11,869	14,269
Caps - floors - collars	-	-	-	458	1,410	1,278	3,146
Other options	7	2	-	-	-	-	9
Currency and gold	**-**	**-**	**-**	**4,212**	**3,072**	**2,959**	**10,243**
Currency futures	-	-	-	3,366	2,069	2,409	7,844
Currency options	-	-	-	846	1,003	550	2,399
Other instruments	**284**	**411**	**70**	**1,395**	**3,431**	**646**	**6,237**
Equity and index derivatives	284	411	70	1,120	3,307	276	5,468
Precious metal derivatives	-	-	-	43	-	-	43
Commodities derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-		36	99	54	189
Other	-	-	-	196	25	316	537
Subtotal	**293**	**413**	**70**	**8,745**	**29,666**	**68,391**	**107,578**
Forward currency transactions	-	-	-	8,591	1,108	52	9,751
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - ASSETS	**293**	**413**	**70**	**17,336**	**30,774**	**68,443**	**117,329**

▶ Derivatives held for trading – Fair value of liabilities

	31.12.2020						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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**

	31.12.2019						
	Exchange-traded transactions			Over-the-counter transactions			
In millions of euros	≤ 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**	**-**	**-**	**3,023**	**23,791**	**65,565**	**92,383**
Futures	1	-	-	-	-	-	1
FRAs	-	-	-	23	-	-	23
Interest rate swaps	-	-		2,659	19,940	50,946	73,545
Interest rate options	-	-	-	231	2,358	12,697	15,286
Caps - floors - collars	-	-	-	110	1,493	1,922	3,525
Other options	3	-		-	-	-	3
Currency and gold	**-**	**-**	**-**	**4,422**	**2,735**	**2,645**	**9,802**
Currency futures	-	-	-	3,498	2,214	2,353	8,065
Currency options	-	-	-	924	521	292	1,737
Other instruments	**160**	**382**	**102**	**641**	**2,012**	**272**	**3,569**
Equity and index derivatives	160	382	102	190	1,561	159	2,554
Precious metal derivatives	-	-		30	1	-	31
Commodities derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-		226	407	37	670
Other	-	-	-	195	43	76	314
Subtotal	**164**	**382**	**102**	**8,086**	**28,538**	**68,482**	**105,754**
Forward currency transactions	-	-	-	8,344	1,703	221	10,268
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES - LIABILITIES	**164**	**382**	**102**	**16,430**	**30,241**	**68,703**	**116,022**

3.2.2 DERIVATIVE INSTRUMENTS: TOTAL COMMITMENTS

In millions of euros	31.12.2020	31.12.2019
Interest rate instruments	**12,883,633**	**12,761,789**
Futures	115,284	155,872
FRAs	2,561,479	2,671,812
Interest rate swaps	8,869,452	8,377,037
Interest rate options	723,370	838,319
Caps - floors - collars	513,641	509,221
Other options	100,407	209,528
Currency and gold	**459,826**	**487,805**
Currency futures	243,212	275,236
Currency options	216,614	212,569
Other instruments	**125,269**	**108,420**
Equity and index derivatives	65,669	52,555
Precious metal derivatives	3,863	3,848
Commodities derivatives	4	10
Credit derivatives	20,620	25,089
Other	35,113	26,918
Subtotal	**13,468,728**	**13,358,014**
Forward currency transactions	1,868,873	2,032,064
TOTAL NOTIONAL AMOUNTS	**15,337,601**	**15,390,078**

3.3 Liquidity and financing risk

(see “Risk factors - Asset and Liabilities management”)

3.3.1 LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND CLIENTS BY RESIDUAL MATURITY

	31.12.2020					
In millions of euros	≤ 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**

	31.12.2019					
In millions of euros	≤ 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)	10,577	3,883	494	1,428	5	16,387
Loans and receivables due from customers (of which finance leases)	54,982	19,256	53,572	18,277	-	146,087
Total	**65,559**	**23,139**	**54,066**	**19,705**	**5**	**162,474**
Impairment	**-**	**-**	**-**	**-**	**-**	**(2,614)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS	**65,559**	**23,139**	**54,066**	**19,705**	**5**	**159,860**

3.3.2 DUE TO BANKS AND CLIENTS BY RESIDUAL MATURITY

	31.12.2020					
In millions of euros	≤ 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**

	31.12.2019					
In millions of euros	≤ 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)	26,494	6,186	8,194	3,771	1	44,646
Due to customers	126,128	6,189	491	542	2	133,352
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**152,622**	**12,375**	**8,685**	**4,313**	**3**	**177,998**

3.3.3 DEBT SECURITIES AND SUBORDINATED DEBT

	31.12.2020					
In millions of euros	≤ 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**

	31.12.2019					
In millions of euros	≤ 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	36,712	15,238	1,270	1	-	53,221
Bonds	3,723	-	2	345	-	4,070
Other debt securities	-	-	-	-	-	-
TOTAL DEBT SECURITIES	**40,435**	**15,238**	**1,272**	**346**	**-**	**57,291**
Subordinated debt	**-**	**-**	**-**	**-**	**-**	**-**
Dated subordinated debt	-	-	-	3,274	-	3,274
Undated subordinated debt	-	-	-	-	1,708	1,708
Mutual security deposits	-	-	-	-	-	-
Participating securities and loans	-	-	-	-	-	-
TOTAL SUBORDINATED DEBT	**-**	**-**	**-**	**3,274**	**1,708**	**4,982**

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.

	31.12.2020					
In millions of euros	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Financial guarantees given	2	67	30	5	-	104

	31.12.2019					
In millions of euros	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Financial guarantees given	1	192	27	3	-	223

The remaining contractual maturities of derivative instruments are shown in Note 3.2 “Market risk”.

3.4 Hedge accounting

(*see Note 3.2 “Market risk” and the “Risk* management – Asset and Liabilities management” chapter of the Crédit Agricole S.A. Universal Registration Document).

3.4.1 FAIR VALUE HEDGES

A fair value hedge modifies the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities.

Fair value-hedged items mainly include fixed-rate loans, securities, deposits and subordinated debt.

3.4.2 CASH FLOW HEDGES

A cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial 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 foreign currencies modify the risk inherent in exchange rate fluctuations associated with foreign-currency equity investments in subsidiaries.

▶ Hedging derivatives

	31.12.2020			31.12.2019		
	Market value			Market value		
In millions of euros	Positive	Negative	Notional amount	Positive	Negative	Notional amount
Fair value hedges	**523**	**1,504**	**77,104**	**698**	**1,112**	**102,761**
Interest rate	392	1,156	63,309	348	910	70,948
Foreign exchange	131	348	13,795	350	202	31,813
Other	-	-	-	-	-	-
Cash flow hedges	**952**	**201**	**45,829**	**842**	**198**	**48,011**
Interest rate	758	5	17,175	558	25	17,775
Foreign exchange	179	161	28,526	248	149	30,112
Other	15	35	128	36	24	124
Hedges of net investments in foreign operations	**28**	**4**	**2,206**	**10**	**24**	**2,183**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**1,503**	**1,709**	**125,139**	**1,550**	**1,334**	**152,955**

3.4.4 HEDGING DERIVATIVES: ANALYSIS BY RESIDUAL MATURITY (NOTIONALS)

The breakdown of notional values of derivative instruments is shown by remaining contractual maturity.

	31.12.2020						
	Exchange-traded			Over-the-counter			
In millions of euros	≤ 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**

	31.12.2019						
	Exchange-traded			Over-the-counter			
In millions of euros	≤ 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	**-**	**-**	**-**	**81,440**	**6,427**	**856**	**88,723**
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	81,440	6,426	856	88,722
Interest rate options	-	-	-	-	-	-	-
Caps - floors - collars	-	-	-	-	1	-	1
Other options	-	-	-	-	-	-	-
Currency	-	-	-	**8,705**	**222**	-	**8,927**
Currency futures	-	-	-	8,705	222	-	8,927
Currency options	-	-	-	-	-	-	-
Other instruments	-	-	-	**124**	-	-	**124**
Other	-	-	-	124	-	-	124
Subtotal	-	-	-	**90,269**	**6,649**	**856**	**97,774**
Forward currency transactions	-	-	-	55,160	21	-	55,181
TOTAL NOTIONAL OF HEDGING DERIVATIVES	-	-	-	**145,429**	**6,670**	**856**	**152,955**

Note 3.2 “Market risk - Derivative instruments: Analysis by remaining maturity” presents the breakdown of market values of hedging derivatives by remaining contractual maturity.

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3.4.5 FAIR VALUE HEDGES

▶ Hedging derivatives

In millions of euros	31.12.2020 Carrying amount Assets	31.12.2020 Carrying amount Liabilities	31.12.2020 Changes in fair value during the period (of which end of hedges during the period)	31.12.2020 Notional Amount	31.12.2019 Carrying amount Assets	31.12.2019 Carrying amount Liabilities	31.12.2019 Changes in fair value during the period (of which end of hedges during the period)	31.12.2019 Notional Amount
Fair value hedges								
Regulated markets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Over-the-counter markets	**401**	**1,500**	**(694)**	**71,422**	**612**	**1,104**	**(174)**	**97,009**
Interest rate	270	1,152	(260)	57,627	262	902	(329)	65,197
Futures	270	1,152	(260)	57,627	262	902	(329)	65,196
Options	-	-	-	-	-	-	-	1
Foreign exchange	131	348	(434)	13,795	350	202	155	31,812
Futures	131	348	(434)	13,795	350	202	155	31,812
Options	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Fair value microhedging	**401**	**1,500**	**(694)**	**71,422**	**612**	**1,104**	**(174)**	**97,009**
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	122	3	40	5,683	86	8	33	5,752
TOTAL FAIR VALUE HEDGES	**523**	**1,503**	**(654)**	**77,105**	**698**	**1,112**	**(141)**	**102,761**

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.

Hedged items

Micro-hedging

In millions of euros	31.12.2020				31.12.2019			
	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	**10,047**	**189**	**-**	**68**	**7,525**	**(146)**	**-**	**69**
Interest rate	10,047	189	-	68	7,525	(146)	-	71
Foreign exchange	-	-	-	(1)	-	-	-	(3)
Other	-	-	-	-	-	-	-	-
Debt instruments at amortised cost	**42,257**	**914**	**-**	**562**	**56,667**	**417**	**-**	**219**
Interest rate	38,682	673	-	268	44,059	417	-	323
Foreign exchange	3,575	240	-	295	12,608	-	-	(104)
Other	-	-	-	-	-	-	-	-
Total fair value hedges on assets items	**52,304**	**1,103**	**-**	**630**	**64,192**	**270**	**-**	**288**
Debt instruments at amortised cost	**18,479**	**198**	**-**	**(67)**	**32,950**	**142**	**-**	**117**
Interest rate	8,085	199	-	75	14,014	131	-	67
Foreign exchange	10,395	-	-	(142)	18,935	11	-	50
Other	-	-	-	-	-	-	-	-
TOTAL FAIR VALUE HEDGES ON LIABILITIES ITEMS	**18,479**	**198**	**-**	**(67)**	**32,950**	**142**	**-**	**117**

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

In millions of euros	31.12.2020		31.12.2019	
	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	-	-	-	1
Total - Assets	**-**	**-**	**-**	**1**
Debt instruments at amortised cost	5,683	55	5,714	20
Total - Liabilities	**5,683**	**55**	**5,714**	**20**

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.

▶ Gains (losses) from hedge accounting

	31.12.2020			31.12.2019		
	Net Income (Total Gains (losses) from hedge accounting)			Net Income (Total Gains (losses) from hedge accounting)		
In millions of euros	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	(220)	221	1	(296)	295	(1)
Foreign exchange	(434)	436	2	155	(157)	(2)
Other	-	-	-	-	-	-
TOTAL	**(654)**	**657**	**3**	**(141)**	**138**	**(3)**

3.4.6 CASH FLOW HEDGES AND NET INVESTMENT HEDGES OF A FOREIGN OPERATION

▶ Hedging derivatives

	31.12.2020				31.12.2019			
	Carrying amount				Carrying amount			
In millions of euros	Assets	Liabilities	Changes in fair value during the period (including termination of hedges during the period)	Notional amount	Assets	Liabilities	Changes in fair value during the period (including termination of hedges during the period)	Notional amount
Regulated markets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Over-the-counter markets	**204**	**182**	**(11)**	**25,288**	**298**	**140**	**235**	**27,509**
Interest rate	16	2	(10)	1,707	23	-	234	3,430
Futures	16	2	(10)	1,706	23	-	234	3,430
Options	-	-	-	1	-	-	-	-
Foreign exchange	173	145	(1)	23,454	239	116	1	23,956
Futures	173	145	(1)	23,454	239	116	1	23,956
Options	-	-	-	-	-	-	-	-
Other	15	35	-	128	36	24	-	124
Total Cash flow micro-hedging	**204**	**182**	**(11)**	**25,288**	**298**	**140**	**235**	**27,509**
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	742	3	232	15,468	536	25	(2)	14,345
Cash flow hedges of the foreign exchange exposure of a portfolio of financial instruments	6	16	-	5,072	9	33	-	6,157
Total Cash flow macro-hedging	**748**	**19**	**232**	**20,540**	**544**	**58**	**(2)**	**20,502**
Total Cash flow hedges	**952**	**201**	**221**	**45,828**	**842**	**198**	**233**	**48,011**
HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**28**	**4**	**2**	**2,206**	**11**	**23**	**(2)**	**2,183**

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.

Gains (losses) from hedge accounting

	31.12.2020			31.12.2019		
	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)
In millions of euros	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	222	-	-	232	-	-
Foreign exchange	(1)	-	-	1	-	-
Other	-	-	-	-	-	-
Total Cash flow hedges	**221**	**-**	**-**	**233**	**-**	**-**
Hedges of net investments in foreign operations	**2**	**-**	**-**	**(2)**	**-**	**-**
TOTAL CASH FLOW HEDGES AND HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**223**	**-**	**-**	**231**	**-**	**-**

3.5 Operational risks

(see “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

In millions of euros	31.12.2020	31.12.2019
On financial assets at amortised cost	**4,996**	**6,421**
Interbank transactions	659	1,029
Customer transactions	3,979	4,842
Debt securities	358	550
On financial assets recognised at fair value through other comprehensive income	**143**	**172**
Interbank transactions	-	-
Customer transactions	-	-
Debt securities	143	172
Accrued interest receivable on hedging instruments	**154**	**382**
Other interest income	**16**	**9**
INTEREST AND SIMILAR INCOME [1] [2]	**5,309**	**6,984**
On financial liabilities at amortised cost	**(1,848)**	**(4,093)**
Interbank transactions	(852)	(1,319)
Customer transactions	(591)	(1,547)
Debt securities	(279)	(1,035)
Subordinated debt	(126)	(192)
Accrued interest receivable on hedging instruments	**(258)**	**(159)**
Other interest expenses	**(21)**	**(36)**
INTEREST AND SIMILAR EXPENSES [3]	**(2,127)**	**(4,288)**

[1] *Of which €47 million in credit-impaired exposures (Bucket 3) at 31 December 2020 versus €37 million at 31 December 2019.*
[2] *Of which €136 million in negative interest on financial assets at 31 December 2020 versus €55 million at 31 December 2019.*
[3] *Of which €207 million in negative interest on financial liabilities at 31 December 2020 versus €86 million at 31 December 2019.*

4.2 Net fees and commissions

	31.12.2020			31.12.2019		
In millions of euros	Gains	Losses	Net	Gains	Losses	Net
Interbank transactions	29	(31)	(1)	35	(24)	11
Customer transactions	563	(106)	456	567	(131)	436
Securities transactions	52	(125)	(74)	43	(98)	(55)
Foreign exchange transactions	10	(38)	(28)	10	(42)	(32)
Derivative instruments and other off-balance sheet items	359	(201)	157	259	(179)	80
Payment instruments and other banking and financial services	295	(136)	159	346	(135)	211
Mutual funds management, fiduciary and similar operations	295	(27)	269	287	(99)	188
TOTAL INCOME AND EXPENSES OF COMMISSIONS	**1,603**	**(664)**	**938**	**1,547**	**(708)**	**839**

4.3 Net gains or losses on financial instruments at fair value through profit or loss

In millions of euros	31.12.2020	31.12.2019
Dividends received	199	359
Unrealised or realised gains (losses) on assets/liabilities held for trading	2,265	2,756
Unrealised or realised gains (losses) on equity instruments at fair value through profit or loss	7	23
Unrealised or realised gains (losses) on debt instruments that do not meet the conditions of the "SPPI" test	(14)	(7)
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]	(602)	(1,651)
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	(120)	355
Gains (losses) from hedge accounting	3	(3)
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**1,738**	**1,832**

[1] *Excluding spread of issuer credit for liabilities recognised at fair value through profit and loss on option concerned.*

Analysis of net gains (losses) from hedge accounting:

	31.12.2020			31.12.2019		
In millions of euros	Gains	Losses	Net	Gains	Losses	Net
Fair value hedges	**1,088**	**(1,085)**	**3**	**1,013**	**(1,015)**	**(2)**
Changes in fair value of hedged items attributable to hedged risks	893	(196)	697	593	(422)	170
Changes in fair value of hedging derivatives (including termination of hedges)	195	(889)	(694)	420	(593)	(173)
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	**62**	**(62)**	**-**	**45**	**(45)**	**-**
Changes in fair value of hedged items	11	(51)	(40)	6	(39)	(33)
Changes in fair value of hedging derivatives	51	(11)	40	39	(6)	33
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	**1,150**	**(1,147)**	**3**	**1,058**	**(1,060)**	**(3)**

The breakdown of gains (losses) from hedge accounting by type of relationship (fair value hedges, cash flow hedges, etc.) is presented in Note 3.4 "Hedge accounting".

4.4 Net gains (losses) on financial instruments at fair value through other comprehensive income

In millions of euros	31.12.2020	31.12.2019
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss [1]	-	1
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	35	87
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME [2]	**35**	**88**

[1] *Excluding the gains or losses on the disposal on impaired debt instruments (Bucket 3) mentioned in note 4.9 "Cost of risk".*
[2] *Of which dividends on equity instruments of the fair value through non recyclable equity derecognised in issue during the period of 17,5 millions of euros.*

4.5 Net gains (losses) arising from derecognition of financial assets at amortised cost

In millions of euros	31.12.2020	31.12.2019
Debt securities	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	**11**	**-**
Debt securities	-	-
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	(4)	(17)
Losses arising from the derecognition of financial assets at amortised cost	**(4)**	**(17)**
NET GAINS (LOSSES) ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST [1]	**7**	**(17)**

[1] *Excl. net gains (losses) from derecognition of credit-impaired instruments (Bucket 3) referred to in Note 4.9 "Cost of risk".*

4.6 Net income (expenses) on other activities

In millions of euros	31.12.2020	31.12.2019
Gains (losses) on fixed assets not used in operations	-	-
Other net income from insurance activities	-	-
Change in insurance technical reserves	-	2
Other net income (expense)	32	19
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**32**	**21**

4.7 Operating expenses

In millions of euros	31.12.2020	31.12.2019
Employee expenses	(2,166)	(2,106)
Taxes other than on income or payroll-related and regulatory contributions [1]	(299)	(232)
External services and other operating expenses	(819)	(888)
OPERATING EXPENSES	**(3,284)**	**(3,226)**

[1] *Including 235,7 millions entered under the Single Resolution Fund (SRF) at 31 December 2020.*

FEES PAID TO STATUTORY AUDITORS

Distribution of fees by audit firm and by type of assignment in the financial statements of Crédit Agricole CIB in respect of 2020:

◆ College of statutory auditors of Crédit Agricole CIB:

	Ernst & Young		PricewaterhouseCoopers		
In millions of euros excluding taxes	2020	2019	2020	2019	Total 2020
Independant audit, certification, review of parent company and consolidated financial statements	**5.7**	**5.8**	**5.0**	**5.3**	**10.7**
Issuer	3.3	3.4	2.5	2.6	5.8
Fully consolidated subsidiaries	2.4	2.4	2.5	2.7	4.9
Non audit services	**1.1**	**0.8**	**3.3**	**2.1**	**4.4**
Issuer	1.0	0.6	2.3	0.9	3.3
Fully consolidated subsidiaries	0.2	0.1	1.0	1.2	1.2
TOTAL	**6.9**	**6.6**	**8.4**	**7.4**	**15.3**

Total fees paid to EY & Autres, Statutory Auditor of Crédit Agricole CIB, in the consolidated income statement for the financial year amounted to €2 million, Of which €1.8 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).

Total fees paid to PricewaterhouseCoopers Audit, Statutory Auditor of Crédit Agricole CIB, in the consolidated income statement for the financial year amounted to €2 million, Of which €1.8 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

In thousands of euros excluding taxes	Mazars		KPMG		Deloitte		Autres		Total
	2020	2019	2020	2019	2020	2019	2020 [2]	2019	2020
Independant audit, certification, review of parent company and consolidated financial statements	**2**	**2**	**-**	**-**	**-**	**-**	**363**	**235**	**365**
Non audit services [1]	-	-	-	-	-	-	5	5	5
TOTAL	**2**	**2**	**-**	**-**	**-**	**-**	**368**	**240**	**370**

[1] *Non-audit services include jobs conducted by these audit firms at companies for which they serve as statutory auditors.*
2 Of which €103 thousand are related to the firm Auditeurs & Conseils Associés.

4.8 Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

In millions of euros	31.12.2020	31.12.2019
Depreciation and amortisation	**(213)**	**(196)**
Property, plant and equipment [1]	(158)	(152)
Intangible assets	(55)	(44)
Impairment losses (reversals)	**(2)**	**-**
Property, plant and equipment	-	-
Intangible assets	(2)	-
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(215)**	**(196)**

[1] *Of which €115 million recognised for depreciation on the right-of-use asset at 31 December 2020 compared with €110 million at 31 December 2019.*

4.9 Cost of risk

In millions of euros	31.12.2020	31.12.2019
Charges net of reversals to impairments on performing assets (Bucket 1 or Bucket 2) (A)	**(412)**	**198**
Bucket 1 : Loss allowance measured at an amount equal to 12-month expected credit loss	**(40)**	**(34)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(2)	(1)
Debt instruments at amortised cost	(29)	(24)
Commitments by signature	(9)	(9)
Bucket 2 : Loss allowance measured at an amount equal to lifetime expected credit loss	**(372)**	**232**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	(313)	166
Commitments by signature	(59)	66
Charges net of reversals to impairments on credit-impaired assets (Bucket 3) (B)	**(486)**	**(343)**
Bucket 3 : Credit-impaired assets	**(486)**	**(343)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	(535)	(223)
Commitments by signature	49	(120)
Other assets (C)	**(8)**	**(1)**
Risks and expenses (D)	**(27)**	**(13)**
Charges net of reversals to impairment losses and provisions (E) = (A) + (B) + (C) + (D)	**(933)**	**(159)**
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	(28)	(46)
Recoveries on loans and receivables written off	107	64
recognised at amortised cost	107	64
recognised in other comprehensive income that may be reclassified to profit or loss	-	-
Discounts on restructured loans	(17)	-
Losses on commitments by signature	-	-
Other losses	(16)	(38)
Other gains	31	14
COST OF RISK	**(856)**	**(165)**

4.10 Net gains (losses) on other assets

In millions of euros	31.12.2020	31.12.2019
Property, plant & equipment and intangible assets used in operations	**3**	**38**
Gains on disposals	3	41
Losses on disposals	-	(3)
Consolidated equity investments	**1**	**13**
Gains on disposals	10	16
Losses on disposals	(9)	(3)
Net income (expense) on combinations	**-**	**-**
NET GAINS (LOSSES) ON OTHER ASSETS	**4**	**51**

4.11 Income tax charge

INCOME TAX CHARGE

In millions of euros	31.12.2020	31.12.2019
Current tax charge	(247)	(300)
Deferred tax charge	38	(55)
TOTAL TAX CHARGE	**(209)**	**(355)**

RECONCILIATION OF THEORETICAL TAX RATE AND EFFECTIVE TAX RATE

▶ AT 31 DECEMBER 2020

In millions of euros	Base	Tax rate [1]	Tax
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 reduced tax rate	-	(0.23)%	4
Impact of other items	-	(0.11)%	2
Effective tax rate and tax charge	-	(10.92)%	173
EFFECTIVE TAX RATE AND TAX CHARGE	-	**13.19%**	**(209)**

[1] The theoretical tax rate is the common-law tax rate (including additional social security contributions) on taxable profits in France at 31 December 2020.

▶ AT 31 DECEMBER 2019

In millions of euros	Base	Tax rate [1]	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	1,924	34.43%	(662)
Impact of permanent differences	-	(5.63)%	109
Impact of different tax rates on foreign subsidiaries	-	(5.15)%	99
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences	-	0.22)%	(4)
Impact of reduced tax rate	-	1.73)%	(33)
Effective tax rate and tax charge	-	(7.15)%	137
EFFECTIVE TAX RATE AND TAX CHARGE	-	**18.45)%**	**(355)**

[1] The theoretical tax rate is the common-law tax rate (including additional social security contributions) on taxable profits in France at 31 December 2019.

4.12 Change in other comprehensive income

The breakdown of income and expenses recorded during the period is shown below.

▶ Breakdown of other comprehensive income

In millions of euros	31.12.2020	31.12.2019
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**-**	**-**
Gains and losses on translation adjustments	**(486)**	**129**
Revaluation adjustment of the period	-	-
Reclassified to profit or loss	-	-
Other variations	(486)	129
Other comprehensive income on debt instruments that may be reclassified to profit or loss	**22**	**3**
Revaluation adjustment of the period	24	1
Reclassified to profit or loss	-	(1)
Other variations	(2)	3
Gains and losses on hedging derivative instruments	**223**	**229**
Revaluation adjustment of the period	223	231
Reclassified to profit or loss	-	-
Other variations	-	(2)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**-**	**(3)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**(23)**	**(80)**
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	**(268)**	**278**
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	(39)	(90)
Other comprehensive income on financial liabilities attributable to changes in own credit risk	**(148)**	**(67)**
Revaluation adjustment of the period	(151)	(76)
Reclassified to reserves	3	9
Other variations	-	-
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	**(142)**	**36**
Revaluation adjustment of the period	(148)	113
Reclassified to reserves	13	(42)
Other variations	(7)	(35)
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	**85**	**45**
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	**(244)**	**(76)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**(512)**	**202**
Of which Group share	(512)	204
Of which non-controlling interests	(1)	(2)

CHANGE IN OTHER COMPREHENSIVE INCOME AND RELATED TAX IMPACTS

	31.12.2019				Changes				31.12.2020			
In millions of euros	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	481	-	481	481	(486)	-	(486)	(486)	(5)	-	(5)	(5)
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 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)**

	31.12.2018				Changes				31.12.2019			
In millions of euros	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	352	-	352	352	129	-	129	129	481	-	481	481
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	30	(9)	21	21	3	1	4	4	33	(8)	25	25
Gains and losses on hedging derivative instruments	-	-	-	-	-	-	-	-	-	-	-	-
Gains and losses on hedging derivative instruments	249	(83)	166	164	229	(81)	148	149	478	(164)	314	313
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**631**	**(92)**	**539**	**537**	**361**	**(80)**	**281**	**282**	**992**	**(172)**	**820**	**819**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(1)	-	(1)	(1)	(3)	-	(3)	(3)	(4)	-	(4)	(4)
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**630**	**(92)**	**538**	**536**	**358**	**(80)**	**278**	**279**	**988**	**(172)**	**816**	**815**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(121)**	**45**	**(76)**	**(75)**	**(534)**	**93**	**(441)**	**(437)**
Actuarial gains and losses on post-employment benefits	(333)	65	(268)	(266)	(90)	7	(83)	(80)	(423)	72	(351)	(346)
Other comprehensive income on financial liabilities attributable to changes in own credit risk	(137)	41	(96)	(96)	(67)	19	(48)	(49)	(204)	60	(144)	(145)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	57	(58)	(1)	-	36	19	55	54	93	(39)	54	54
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(413)**	**48**	**(365)**	**(362)**	**(121)**	**45**	**(76)**	**(75)**	**(534)**	**93**	**(441)**	**(437)**
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	**(413)**	**48**	**(365)**	**(362)**	**(121)**	**45**	**(76)**	**(75)**	**(534)**	**93**	**(441)**	**(437)**
OTHER COMPREHENSIVE INCOME	**217**	**(44)**	**173**	**174**	**237**	**(35)**	**202**	**204**	**454**	**(79)**	**375**	**378**

NOTE 5: SEGMENT REPORTING

DEFINITION OF OPERATING SEGMENTS

The names of Crédit Agricole CIB's business lines comply with the naming system applied within the Crédit Agricole S.A. Group.

PRESENTATION OF BUSINESS LINES

Operations are broken down into four business lines.

- Financing activities include the commercial banking business lines in France and abroad as well as the structured finance activities: project finance, aerospace financing, shipping financing, acquisitions finance, real estate finance;
- Capital markets and investment banking covers capital market activities (treasury, foreign exchange, interest-rate derivatives and debt markets) and investment banking activities (mergers and acquisitions and primary equity advisory);

These two business lines make up nearly 100% of the Corporate and Investment banking business line of Crédit Agricole S.A.

It should be noted that discontinued operations are now included in the Capital Markets and Investment Banking and Financing Activities business lines, and that the SFS[1] (Structured and Financial Solutions) activity has been transferred from Financing Activities to Capital Markets and Investment Banking.

- Crédit Agricole CIB operates in the Wealth Management segment through its offices in France, Belgium, Switzerland, Luxembourg, Monaco and Spain.
- The Corporate Centre business line includes the various impacts not attributable to the other divisions.

5.1 Segment reporting by operating segment

Transactions between operating segments are carried out on an arm's length basis.

Segment assets are determined based on balance sheet items for each operating segment.

	31.12.2020					
In millions of euros	Financing activities	Captial 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] Includes non-recurring tax items over the period.

	31.12.2020					
In millions of euros	Financing activities	Captial 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**

(1) Structured Financial Solutions: complex financing of operations for large corporates.

	31.12.2019					
In millions of euros	Financing activities	Captial markets and Investment banking	Total Corporate and Investment Banking	Wealth Management	Corporate Center	CACIB
Revenues	**2,480**	**2,155**	**4,635**	**825**	**(1)**	**5,459**
Operating expenses	(1,040)	(1,650)	(2,690)	(729)	(3)	(3,422)
Gross operating income	**1,440**	**505**	**1,945**	**96**	**(4)**	**2,037**
Cost of risk	(132)	(24)	(155)	(10)	-	(165)
Share of net income of equity-accounted entities	4	-	4	-	-	4
Net gains (losses) on other assets	15	4	19	32	-	51
Change in value of goodwill	-	-	-	-	-	-
Pre-tax income	**1,327**	**485**	**1,813**	**118**	**(4)**	**1,927**
Income tax charge	(247)	(117)	(364)	(20)	29	(355)
Net income from discontinued operations	-	-	-	-	-	-
Net income	**1,080**	**368**	**1,449**	**98**	**25**	**1,572**
Non-controlling interests	(2)	2	-	19	-	19
NET INCOME GROUP SHARE	**1,082**	**366**	**1,449**	**79**	**25**	**1,553**

	31.12.2019					
In millions of euros	Financing activities	Captial 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	560	-	1,044
TOTAL ASSETS	**-**	**-**	**530,257**	**22,486**	**-**	**552,743**

5.2 Segment reporting: geographic analysis

The geographic breakdown of segment assets and results is based on the place of accounting recognition of the activities in question.

	31.12.2020				31.12.2019			
In millions of euros	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)	605	2,515	401,649	474	597	2,105	362,067	474
Other European Union countries	265	1,157	34,855	142	361	1,127	30,471	142
Other European countries	(5)	437	14,734	417	60	376	15,124	416
North America	216	829	65,250	-	164	862	61,445	-
Central and South America	71	104	1,442	-	16	50	836	1
Africa and Middle East	22	58	2,896	-	42	57	1,882	-
Asia-Pacific (ex. Japan)	132	628	30,532	10	222	665	30,049	11
Japan	34	205	42,532	-	91	217	50,869	-
TOTAL	**1,341**	**5,934**	**593,890**	**1,043**	**1,553**	**5,459**	**552,743**	**1,044**

NOTE 6: NOTES TO THE BALANCE SHEET

6.1 Cash due from central banks

In millions of euros	31.12.2020		31.12.2019	
	Assets	Liabilities	Assets	Liabilities
Cash	7	-	8	-
Central banks	54,428	837	58,249	1,812
CARRYING AMOUNT	**54,435**	**837**	**58,257**	**1,812**

6.2 Financial assets and liabilities at fair value through profit or loss

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In millions of euros	31.12.2020	31.12.2019
Financial assets held for trading	284,101	249,068
Other financial instruments at fair value through profit or loss	314	722
Equity instruments	259	359
Debt instruments that do not meet the conditions of the “SPPI” test	55	363
Assets backing unit-linked contracts	-	-
Financial assets designated at fair value through profit or loss	-	-
CARRYING AMOUNT	**284,415**	**249,790**
Of which lent securities	666	615

FINANCIAL ASSETS HELD FOR TRADING

In millions of euros	31.12.2020	31.12.2019
Equity instruments	**6,221**	**6,901**
Equities and other variable income securities	6,221	6,901
Debt securities	**18,691**	**18,398**
Treasury bills and similar securities	13,069	13,601
Bonds and other fixed income securities	5,605	4,754
Mutual funds	17	43
Loans and receivables	**124,272**	**106,440**
Loans and receivables due from credit institutions	-	61
Loans and receivables due from customers	872	893
Securities bought under repurchase agreements	123,400	105,486
Pledged securities	-	-
Derivative instruments	**134,917**	**117,329**
CARRYING AMOUNT	**284,101**	**249,068**

Securities bought under resale agreements include instruments that the entity is authorised to use as collateral.

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

In millions of euros	31.12.2020	31.12.2019
Equities and other variable income securities	124	213
Non-consolidated equity investments	135	146
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**259**	**359**

DEBT INSTRUMENTS THAT DO NOT MEET THE CONDITIONS OF THE SPPI TEST

In millions of euros	31.12.2020	31.12.2019
Debt securities	**50**	**38**
Treasury bills and similar securities	-	2
Bonds and other fixed income securities	16	27
Mutual funds	34	9
Loans and receivables	**5**	**325**
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	5	325
Securities bought under repurchase agreements	-	-
Pledged securities	-	-
TOTAL DEBT INSTRUMENTS THAT DO NOT MEET THE CONDITIONS OF THE “SPPI” TEST	**55**	**363**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

In millions of euros	31.12.2020	31.12.2019
Held for trading financial liabilities	250,169	224,789
Financial liabilities designated at fair value through profit or loss	24,059	29,987
CARRYING AMOUNT	**274,228**	**254,776**

HELD-FOR-TRADING FINANCIAL LIABILITIES

In millions of euros	31.12.2020	31.12.2019
Securities sold short	37,179	33,473
Securities sold under repurchase agreements	83,540	75,240
Debt securities	-	54
Due to customers	-	-
Due to credit institutions	-	-
Derivative instruments	129,450	116,022
CARRYING AMOUNT	**250,169**	**224,789**

Detailed information on derivative instruments held for trading is provided in Note 3.2 on market risk, in particular on interest rates.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS BY OPTION

- Financial liabilities for which changes in issuer spread are recognised in other comprehensive income that cannot be reclassified to profit or loss

<table>
<tr><th></th><th colspan="5">31.12.2020</th></tr>
<tr><th>In millions of euros</th><th>Carrying amount</th><th>Difference between carrying amount and amount contractually required to pay at maturity</th><th>Accumulated amount of change in fair value attributable to changes in own credit risk</th><th>Amount of change in fair value during the period attributable to changes in own credit risk</th><th>Amount realised at derecogniion [1]</th></tr>
<tr><td>Deposits and subordinated liabilities</td><td>3,629</td><td rowspan="2">1,207</td><td rowspan="2">352</td><td rowspan="2">152</td><td rowspan="2">(5)</td></tr>
<tr><td>Debt securities</td><td>20,191</td></tr>
<tr><td>Other financial liabilities</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>TOTAL</td><td>23,820</td><td>1,207</td><td>352</td><td>152</td><td>(5)</td></tr>
</table>

[1] *Gains and losses on derecognition are transferred to consolidated reserves at the date of derecognition of the instrument in question.*

<table>
<tr><th></th><th colspan="5">31.12.2019</th></tr>
<tr><th>In millions of euros</th><th>Carrying amount</th><th>Difference between carrying amount and amount contractually required to pay at maturity</th><th>Accumulated amount of change in fair value attributable to changes in own credit risk</th><th>Amount of change in fair value during the period attributable to changes in own credit risk</th><th>Amount realised at derecognition [1]</th></tr>
<tr><td>Deposits and subordinated liabilities</td><td>3,993</td><td rowspan="2">207</td><td rowspan="2">204</td><td rowspan="2">76</td><td rowspan="2">(9)</td></tr>
<tr><td>Debt securities</td><td>25,089</td></tr>
<tr><td>Other financial liabilities</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>TOTAL</td><td>29,082</td><td>207</td><td>204</td><td>76</td><td>(9)</td></tr>
</table>

[1] *Gains and losses on derecognition are transferred to consolidated reserves at the date of derecognition of the instrument in question.*

Pursuant to IFRS 9, Crédit Agricole CIB calculates changes in fair value attributable to changes in own credit risk using a methodology that allows for 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 for the calculation of own credit risk may vary from one issuer to another. Crédit Agricole CIB uses the change in market funding costs depending on the type of issue.

CALCULATION OF UNREALISED GAINS/ LOSSES ON OWN CREDIT RISK ADJUSTMENT (RECOGNISED IN OTHER COMPREHENSIVE INCOME)

Crédit Agricole CIB's preferred approach is based on the liquidity component of issues. All issues are replicated by a group of vanilla loans/borrowings. Changes in fair value attributable to changes in own credit risk of all issues thus comprises changes in own credit risk associated with said loans. These are equal to the changes in fair value of the loan book caused by changes in market funding costs.

CALCULATION OF REALISED GAINS/LOSSES ON OWN CREDIT RISK (RECOGNISED IN CONSOLIDATED RESERVES)

Crédit Agricole CIB opts to transfer the change in fair value attributable to changes in own credit risk to consolidated reserves. When there is a total or partial early redemption, a calculation based on sensitivities is carried out. This calculation consists in measuring the change in fair value attributable to changes in own credit risk of a given issue as being the sum of credit spread sensitivities multiplied by the change in this spread between the issue date and the redemption date.

FINANCIAL LIABILITIES FOR WHICH CHANGES ARE RECOGNISED THROUGH PROFIT OR LOSS

	31.12.2020			
In millions of euros	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	-	-	-

	31.12.2019			
In millions of euros	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	905	-	-	-
Debt securities	-	-	-	-
Other financial liabilities	-	-	-	-
TOTAL	905	-	-	-

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

	31.12.2020			31.12.2019		
In millions of euros	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	11,042	192	(137)	8,883	38	(5)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	269	47	(95)	758	202	(109)
TOTAL	**11,311**	**239**	**(232)**	**9,641**	**240**	**(114)**

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DEBT INSTRUMENTS RECOGNISED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS

	31.12.2020			31/12/2019		
In millions of euros	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	2,595	19	-	2,064	15	(1)
Bonds and other fixed income securities	8,447	174	(137)	6,819	23	(4)
Total Debt securities	**11,042**	**193**	**(137)**	**8,883**	**38**	**(5)**
Total Loans and receivables	**-**	**-**	**-**	**-**	**-**	**-**
Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**11,042**	**193**	**(137)**	**8,883**	**38**	**(5)**
Income tax charge	-	(14)	-	-	(9)	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)	**-**	**179**	**(137)**	**-**	**30**	**(5)**

EQUITY INSTRUMENTS RECOGNISED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT CANNOT BE RECLASSIFIED TO PROFIT OR LOSS

▶ Other comprehensive income on equity instruments that cannot be reclassified to profit or loss

	31.12.2020			31.12.2019		
In millions of euros	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Equities and other variable income securities	37	12	(20)	476	33	(12)
Non-consolidated equity investments	232	34	(74)	282	169	(97)
Total Investments in equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**269**	**46**	**(94)**	**758**	**202**	**(109)**
Income tax charge	-	-	-	-	(47)	8
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)	**-**	**46**	**(94)**	**-**	**155**	**(101)**

▶ Equity instruments derecognised during the period

	31.12.2020			31.12.2019		
In millions of euros	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	Cumulative losses realised
Equities and other variable income securities	332	-	(10)	(1)	-	(4)
Non-consolidated equity investments	8	-	-	997	45	(4)
Total Investments in equity instruments	**340**	**-**	**(10)**	**996**	**45**	**(8)**
Income tax charge	-	-	6	-	-	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)	**-**	**-**	**(4)**	**-**	**45**	**(8)**

[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

In millions of euros	31.12.2020	31.12.2019
Loans and receivables due from credit institutions	26,742	15,996
Loans and receivables due from customers [1]	142,000	143,864
Debt securities	34,890	37,580
CARRYING AMOUNT	**203,632**	**197,440**

[1] *At 31 December 2020, 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 €2.5 billion, including a drawdown of €2.3 billion, and deferrals of payments on outstanding loans to clients amounted to €196 million. The guarantee provided by the French State on the loans totalled €2.1 billion.*

LOANS AND RECEIVABLES DUE FROM BANKS

In millions of euros	31.12.2020	31.12.2019
Credit institutions	-	-
Loans and receivables	26,068	15,729
of which non doubtful current accounts in debit [1]	3,048	2,702
of which non doubtful overnight accounts and advances [1]	414	245
Pledged securities	-	-
Securities bought under repurchase agreements	1,034	641
Subordinated loans	-	-
Other loans and receivables	-	17
Gross amount	**27,102**	**16,387**
Impairment	(360)	(391)
Net value of loans and receivables due from credit institutions	**26,742**	**15,996**
Crédit Agricole internal operations	-	-
Total Crédit Agricole internal transactions	-	-
CARRYING AMOUNT	**26,742**	**15,996**

[1] *These transactions are partly comprised of "Net demand loans and deposits with banks" in the Cash Flow Statement.*

LOANS AND RECEIVABLES DUE FROM CLIENTS

In millions of euros	31.12.2020	31.12.2019
Loans and receivables due from customers	-	-
Trade receivables	14,956	17,889
Other customer loans	124,192	122,568
Pledged securities	-	-
Securities bought under repurchase agreements	1,320	474
Subordinated loans	41	41
Insurance receivables	-	-
Reinsurance receivables	-	-
Advances in associates' current accounts	130	134
Current accounts in debit	4,041	4,981
Gross amount	**144,680**	**146,087**
Impairment	(2,680)	(2,223)
Net value of loans and receivables due from customers	**142,000**	**143,864**
Finance leases	-	-
Property leasing	-	-
Equipment leases, operating leases and similar transactions	-	-
Gross amount	**-**	**-**
Impairment	-	-
Net value of lease financing operations	-	-
CARRYING AMOUNT	**142,000**	**143,864**

DEBT SECURITIES

In millions of euros	31.12.2020	31.12.2019
Treasury bills and similar securities	6,821	7,900
Bonds and other fixed income securities	28,097	29,711
Total	**34,918**	**37,611**
Impairment	(28)	(31)
CARRYING AMOUNT	**34,890**	**37,580**

6.6 Transferred assets not derecognised or derecognised with on-going involvement

TRANSFERRED ASSETS NOT FULLY DERECOGNISED AT 31 DECEMBER 2020

	Transferred assets but still fully recognised										
	Transferred assets					Associated liabilities					Assets and associated liabilities
In millions of euros	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)).*

TRANSFERRED ASSETS NOT FULLY DERECOGNISED AT 31 DECEMBER 2019

	Transferred assets but still fully recognised										
	Transferred assets					Associated liabilities					Assets and associated liabilities
In millions of euros	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	**14,139**	**-**	**14,139**	**-**	**14,139**	**13,331**	**-**	**13,331**	**-**	**13,331**	**809**
Equity instruments	3,911	-	3,911	-	3,911	3,688	-	3,688	-	3,688	224
Debt securities	10,228	-	10,228	-	10,228	9,643	-	9,643	-	9,643	585
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	**799**	**-**	**799**	**-**	**799**	**755**	**-**	**755**	**-**	**755**	**44**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-
Debt securities	799	-	799	-	799	755	-	755	-	755	44
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost	577	-	577	-	577	531	-	531	-	531	45
Debt securities	577	-	577	-	577	531	-	531	-	531	45
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-
Total Financial assets	**15,515**	**-**	**15,515**	**-**	**15,515**	**14,617**	**-**	**14,617**	**-**	**14,617**	**898**
Finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	15,515	-	15,515	-	15,515	14,617	-	14,617	-	14,617	898

[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 sovereign exposures recorded covers exposures to Governments, but does not include local authorities. Tax receivables are excluded from these amounts.

Exposure to sovereign debt comprises an exposure net of impairment (carrying amount) presented both gross and net of hedging.

Crédit Agricole CIB's exposures to sovereign risk are as follows:

BANKING ACTIVITY

	31.12.2020						
	Exposures Banking activity net of impairment						
	Other financial instruments at fair value through profit or loss						
In millions of euros	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
Greece	-	-	-	-	-	-	-
Hong Kong	58	-	-	880	938	-	938
Iran	-	-	-	-	-	-	-
Ireland	-	-	-	-	-	-	-
Italy	-	-	-	-	-	-	-
Japan	-	-	246	1,435	1,681	-	1,681
Lebanon	-	-	-	-	-	-	-
Lithuania	-	-	-	-	-	-	-
Morocco	-	-	-	-	-	-	-
Poland	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-
Syria	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-
Ukraine	-	-	-	78	78	-	78
Venezuela	-	-	-	30	30	-	30
Yemen	-	-	-	-	-	-	-
Other sovereign countries	1,087	-	470	3,507	5,063	-	5,063
Total	**3,182**	-	**2,530**	**11,012**	**16,724**	**(39)**	**16,685**

6

	31.12.2019						
	Exposures Banking activity net of impairment						
	Other financial instruments at fair value through profit or loss						
In millions of euros	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	-	-	-	899	899	-	899
Argentina	-	-	-	-	-	-	-
Austria	68	-	-	16	84	-	84
Belgium	-	-	73	234	307	(3)	304
Brazil	57	-	77	191	325	-	325
China	12	-	36	-	48	-	48
Egypt	1	-	-	-	1	-	1
Spain	-	-	864	51	915	(1)	914
United States	4,083	-	44	2,858	6,985	-	6,985
Finland	-	-	-	24	24	-	24
France	-	-	497	2,106	2,603	(25)	2,578
Greece	-	-	-	-	-	-	-
Hong Kong	46	-	-	890	936	-	936
Iran	-	-	-	-	-	-	-
Ireland	1	-	-	-	1	-	1
Italy	-	6	-	1	7	-	7
Japan	-	-	-	889	889	-	889
Lebanon	-	-	-	-	-	-	-
Lithuania	-	-	-	-	-	-	-
Luxembourg	31	-	-	-	31	-	31
Morocco	20	-	-	-	20	-	20
Poland	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-
Russia	1	-	-	-	1	-	1
Suede	-	-	-	54	54	-	54
Syria	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-
Ukraine	-	-	-	54	54	-	54
Venezuela	-	-	-	43	43	-	43
Yemen	-	-	-	-	-	-	-
Other sovereign countries	962	-	328	3,808	5,098	(320)	4,778
TOTAL	**5,282**	**6**	**1,919**	**12,118**	**19,325**	**(349)**	**18,976**

6.8 Financial liabilities at amortised cost

In millions of euros	31.12.2020	31.12.2019
Due to credit institutions	61,450	44,646
Due to customers	149,084	133,352
Debt securities	42,229	57,291
CARRYING AMOUNT	**252,763**	**235,289**

AMOUNTS DUE TO BANKS

In millions of euros	31.12.2020	31.12.2019
Credit institutions	-	-
Accounts and borrowings	60,187	43,006
of which current accounts in credit [1]	2,943	4,090
of which overnight accounts and deposits [1]	458	1,732
Securities sold under repurchase agreements	1,263	1,640
CARRYING AMOUNT	**61,450**	**44,646**

[1] *These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the Cash Flow Statement.*

AMOUNTS DUE TO CLIENTS

In millions of euros	31.12.2020	31.12.2019
Current accounts in credit	72,997	49,896
Special savings accounts	135	152
Other amounts due to customers	75,447	82,620
Securities sold under repurchase agreements	505	684
Insurance liabilities	-	-
Reinsurance liabilities	-	-
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	-	-
CARRYING AMOUNT	**149,084**	**133,352**

DEBT SECURITIES

In millions of euros	31.12.2020	31.12.2019
Interest bearing notes	-	-
Money-market securities	-	-
Negotiable debt securities	38,136	53,221
Bonds	4,093	4,070
Other debt securities	-	-
CARRYING AMOUNT	**42,229**	**57,291**

6.9 Information on the offsetting of financial assets and financial liabilities

OFFSETTING – FINANCIAL ASSETS

	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		
In millions of euros	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 [1]	136,795	-	136,795	121,715	9,914	5,167
Reverse repurchase agreements	192,955	67,200	125,754	5,611	119,941	202
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**329,750**	**67,200**	**262,549**	**127,326**	**129,855**	**5,369**

[1] Including margin calls but before any XVA impact.

At 31 December 2020 and 31 December 2019, 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).

	31.12.2019					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
In millions of euros	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 [1]	119,217	-	119,217	111,747	7,284	185
Reverse repurchase agreements	169,501	62,900	106,601	9,791	96,665	144
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**288,718**	**62,900**	**225,818**	**121,538**	**103,949**	**329**

[1] Including margin calls but before any XVA impact.

OFFSETTING – FINANCIAL LIABILITIES

	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		
In millions of euros	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 [1]	131,157	-	131,157	121,715	8,891	551
Repurchase agreements	152,530	67,200	85,330	5,611	79,590	128
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**283,687**	**67,200**	**216,487**	**127,326**	**88,481**	**679**

[1] Including margin calls but before any XVA impact.

At 31 December 2020 and 31 December 2019, 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).

	31.12.2019					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
In millions of euros	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 [1]	117,362	-	117,362	109,978	7,290	94
Repurchase agreements	140,480	62,900	77,580	9,791	64,341	3,448
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**257,842**	**62,900**	**194,956**	**119,769**	**71,631**	**3,559**

[1] *Including margin calls but before any XVA impact.*

6.10 Current and deferred tax assets and liabilities

In millions of euros	31.12.2020	31.12.2019
Current tax	353	528
Deferred tax	611	589
TOTAL CURRENT AND DEFERRED TAX ASSETS	**964**	**1,117**
Current tax	687	891
Deferred tax	1,436	1,502
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**2,123**	**2,392**

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:

	31.12.2020		31.12.2019	
In millions of euros	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Temporary timing differences - tax	**368**	**1,080**	**391**	**1,150**
Non-deductible accrued expenses	152	-	156	-
Non-deductible for liabilities and charges	267	-	279	-
Other temporary differences [1]	(51)	1,080	(44)	1,150
Deferred tax on reserves for unrealised gains or losses	**146**	**221**	**118**	**198**
Financial assets at fair value through other comprehensive income	5	67	8	51
Cash flow hedges	-	186	7	176
Gains and losses/Actuarial differences	47	(32)	43	(29)
Other comprehensive income attributable to changes in own credit risk	94	-	60	-
Deferred tax on income and reserves	**97**	**135**	**80**	**154**
TOTAL DEFERRED TAX	**611**	**1,436**	**589**	**1,502**

[1] *The share of deferred taxes relating to tax loss carryforwards was €52 million for 2020 and €37 million for 2019.*

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 2013, 2014 and 2015, adjustments were carried out on Crédit Agricole CIB as part of a proposed adjustment received at the end of December 2018. Crédit Agricole CIB is challenging the proposed adjustments. A provision was recognised to cover the estimated risk.

◆ Crédit Agricole CIB Milan and London tax audit regarding transfer pricing

Following tax audits, Crédit Agricole CIB Milan received proposals for adjustments for financial years 2005 to 2014 from the Italian tax authorities in the area of transfer prices. Crédit Agricole CIB challenged the proposed adjustments. At the same time, the case was referred to the competent French-Italian authorities for all relevant years. 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. Reasoned arguments have been submitted challenging the adjustments. A provision has been recognised to cover the estimated risk.

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6.11 Accruals, deferred income and sundry assets and liabilities

ACCRUALS, DEFERRED INCOME AND SUNDRY ASSETS

In millions of euros	31.12.2020	31.12.2019
Other assets	**31,235**	**29,412**
Inventory accounts and miscellaneous	172	152
Sundry debtors [1]	30,770	27,872
Settlements accounts	293	1,388
Other insurance assets	-	-
Reinsurer's share of technical reserves	-	-
Accruals and deferred income	**3,554**	**3,129**
Items in course of transmission	2,759	2,171
Adjustment and suspense accounts	74	48
Accrued income	590	502
Prepaid expenses	85	102
Other accruals prepayments and sundry assets	46	306
CARRYING AMOUNT	**34,789**	**32,541**

[1] *including €40 million 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

In millions of euros	31.12.2020	31.12.2019
Other liabilities [1]	27,600	22,141
Settlements accounts	574	819
Sundry creditors	26,564	20,770
Liabilities related to trading securities	-	-
Other insurance liabilities	-	-
Lease liabilities	462	552
Other Commitments	-	-
Accruals and deferred income	**5,693**	**6,402**
Items in course of transmission [2]	2,985	2,901
Adjustment and suspense accounts	583	1,255
Unearned income	272	297
Accrued expenses	1,771	1,843
Other accruals prepayments and sundry assets	82	106
Carrying amount	**33,293**	**28,543**

[1] *Net amounts.*
[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 2020,

- The equity-accounted value of joint ventures was nil as it was fully impaired (same situation at 31 December 2019),
- Crédit Agricole CIB holds interests in a joint venture, Elipso, which was sold in financial year 2020.

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

	31.12.2020						
In millions of euros	% 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.

	31.12.2019						
In millions of euros	% 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	-	-	-	-	-	-	-
Elipso	50.00%	-	-	-	-	(53)	-
UBAF	47.01%	-	-	1	4	155	-
Net carrying amount of investments in equity-accounted entities (Joint ventures)	-	-	-	1	4	102	-
Associates	-	-	-	-	-	-	-
Net carrying amount of investments in equity-accounted entities (Associates)	-	-	-	-	-	-	-
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES	-	-	-	1	4	102	-

[1] Equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group.

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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:

	31.12.2020			
In millions of euros	Revenues	Net income	Total assets	Total equity
Joint ventures	-	-	-	-
UBAF	54	(29)	1,792	314
Elipso	(2)	(2)	-	-
Total	**52**	**(31)**	**1,792**	**314**

	31.12.2019			
In millions of euros	Revenues	Net income	Total assets	Total equity
Joint ventures	-	-	-	-
UBAF	52	9	1,865	329
Elipso	(7)	(8)	44	(106)
Total	**45**	**1**	**1,909**	**223**

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

The subsidiaries of the Crédit Agricole CIB group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of 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 right-of-use assets for which the Group is lessee.

Depreciation and impairment of property, plant & equipment used in operations are presented including depreciation on fixed assets given as operating leases.

In millions of euros	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.*

In millions of euros	31.12.2018	01.01.2019 [1]	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31.12.2019
Property, plant & equipment used in operations	-	-	-	-	-	-	-	-
Gross amount	1,179	1,724		258	(275)	28	-	1,735
Depreciation and impairment	(824)	(827)		(152)	256	(13)	-	(736)
CARRYING AMOUNT	**356**	**897**		**106**	**(19)**	**15**	**-**	**999**
Intangible assets	-	-	-	-	-	-	-	-
Gross amount	885	882	-	115	(353)	5	-	649
Depreciation and impairment	(584)	(582)	-	(44)	341	(2)	-	(287)
CARRYING AMOUNT	**301**	**300**	**-**	**71**	**(12)**	**3**	**-**	**362**

[1] *Right of use impact recognised in First Time Application of the IFRS 16 lease standard.*

6.14 Goodwill

In millions of euros	31.12.2020 GROSS	31.12.2019 NET	Increases (acquisitions)	Decreases (Divestments)	Impairment losses during the period	Translation adjustments	Other movements	31.12.2020 GROSS	31.12.2020 NET
Corporate and Investment banking	654	484	-	-	-	-	-	654	484
Wealth Management	560	560	-	-	-	-	(1)	559	559
Total	**1,214**	**1,044**	**-**	**-**	**-**	**-**	**(1)**	**1,213**	**1,043**

Impairment tests were carried out on goodwill, based on an assessment of the value in use of the CGUs to which it is attached. Value in use was determined by discounting the estimated future cash flows of the CGU resulting from 3-year business forecasts (2021-2013) for Group oversight purposes, extrapolated over a fourth and fifth year to converge with a standardised terminal year incorporating all post-Covid-19 catch-up effects.

The following assumptions were used:

- Estimated future cash flows: data forecasts compiled from projected three-year budgets for financial oversight purposes. Business line projections were developed based on the economic scenario adjusted in November 2020 for developments in the health crisis. This scenario sees the epidemic continuing in 2021, but with less severe and detrimental impacts on the economy compared to 2020. It predicts a gradual and moderate upturn in economic activity across most sectors: i) with the spread of the virus curbed thanks to vaccination campaigns, ii) but limited due to the behaviour of economic agents, expected to remain more cautious (precautionary savings, delayed investments), and the impacts of the crisis (higher unemployment, increased business failures). Some sectors will nevertheless be persistently undermined by certain restrictions (automotive, trade, tourism, hospitality, catering, culture, etc.). Massive long-term monetary easing programmes coupled with government stimulus measures should keep extreme financial risks at bay and limit recessionary effects.
- Allocated capital: 8.88% of risk-weighted assets for both CGUs (down 88 bp compared to 31 December 2019, in line with new Pillar 2 requirements and the elimination of certain countercyclical capital buffers);
- Growth rate to perpetuity: 2%. Growth rates to perpetuity at 31 December 2020 were identical to those used at 31 December 2019 and reflect the growth forecasts of CACIB for both CGUs; Discount rates: 9.40% for the Corporate and Investment Banking CGU and 8.50% for the Wealth Management CGU. The setting of discount rates at 31 December 2020 for all CGUs reflects the low-for-long interest rates observed in Europe, and particularly France, for several years now. Nevertheless, the rates employed increased by 20 bp compared to end-2019 for both CGUs.

Impairment tests at 31 December 2020 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

In millions of euros	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)**	**(34)**	**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.*

In millions of euros	31.12.2018	01.01.2019 [2]	Changes in scope	Depre-ciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31.12.2019
Home purchase schemes risks	-	-	-	-	-	-	-	-	-
Execution risks of commitments by signature	372	372	-	434	(1)	(372)	9	-	442
Operational risks	5	5	-	1	(5)	-	-	-	1
Employee retirement and similar benefits [1]	501	501	-	37	(30)	(53)	6	56	517
Litigation	721	415	-	16	(10)	-	-	(32)	389
Equity investments	-	-	-	-	-	-	-	-	-
Restructuring	1	1	-	3	-	(1)	-	-	3
Other risks	79	79	-	7	(9)	(3)	-	(4)	70
TOTAL	**1,679**	**1,373**	**0**	**498**	**(55)**	**(429)**	**15**	**20**	**1,422**

[1] *Of which €442 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] *Reclassification of provisions for tax risks (income tax) from "Provisions" to "Current and deferred tax liabilities" at 1 January 2019.*

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 European Court of Justice 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 181.012 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.

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.

Banque Saudi Fransi

Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB) had received in 2018 a request for arbitration submitted by Banque Saudi Fransi (BSF) before the International Chamber of Commerce (ICC). The dispute related to the performance of a technical services agreement between BSF and Crédit Agricole CIB that is no longer in force. BSF had quantified its claim at SAR 1,023,523,357, the equivalent of about € 242 million. Crédit Agricole CIB and BSF have entered into an agreement effectively ending the ICC arbitration proceedings. This agreement has no significant impact on Crédit Agricole CIB's Financial Statements.

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.

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

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lack of 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 have taken an appeal from both of the Court's orders.

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.

It is not possible at this stage to predict the outcome of these investigations, proceedings or class actions or the date on which they will end.

◆ 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. The court has not yet decided the motion.

◆ 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 court and 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, 2020, Defendants filed a brief in opposition to DYJ Holdings' motion and also filed a motion to dismiss the appeal."

◆ 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 debts

In millions of euros	31.12.2020	31.12.2019
Dated subordinated debt	3,230	3,274
Undated subordinated debt	1,121	1,708
CARRYING AMOUNT	4,351	4,982

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 4/CRR) 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 the Order of 20 August 2015 containing various provisions adapting French legislation to EU law on financial matters, transposing the EU Directive of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Recovery and Resolution Directive, or RRD).

6.17 Shareholder's equity

OWNERSHIP STRUCTURE AT 31 DECEMBER 2020

At 31 December 2020, share capital and voting rights can be broken down as follows:

Crédit Agricole CIB's shareholders	Number of shares at 31.12.2020	% 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 2020, the share capital of Crédit Agricole CIB amounted to €7,851,636 thousand, consisting of 290,801,346 fully paid-up ordinary shares each with a par value of €27.

EARNINGS PER SHARE

		31.12.2020	31.12.2019
Net income Group share during the period	*In millions of euros*	1,341	1,553
Net income attributable to undated deeply subordinated securities	*In millions of euros*	(264)	(257)
Net income attributable to holders of ordinary shares	*In millions of euros*	**1,077**	**1,296**
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)*	3.70	4.46
Basic earnings per share from ongoing activities	*(in euros)*	**3.79**	**4.46**
Basic earnings per share from discontinued operations	*(in euros)*	**(0.09)**	**-**
DILUTED EARNINGS PER SHARE (IN EUROS)	*(in euros)*	3.70	4.46
Diluted earnings per share from ongoing activities	*(in euros)*	**3.79**	**4.46**
Diluted earnings per share from discontinued operations	*(in euros)*	**(0.09)**	**-**

Diluted earnings per share from discontinued operations and net income attributable to subordinated and deeply subordinated notes comprised the issuance costs and interest accrued on AT1 subordinated and deeply subordinated notes, amounting to –€264 million for 2020.

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 earnings is attributed to shareholders in proportion to their shareholding in the Company as a dividend distribution.

In addition, the General Meeting may decide to distribute sums deducted from distributable reserves.

However, excluding the case of a capital reduction, no distribution may be made to shareholders when shareholders' equity is, or would become following the distribution, less than the amount of the share capital increased by reserves prohibited from distribution by applicable laws.

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	
2016	983	Advance	290,801,346	Advance	*2.55
		Remaining balance	290,801,346	Remaining balance	*0.83
			-	Total	*3.38
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

** Dividend eligible for the discount defined in Article 158-3-2 of the French General Tax Code for individual shareholders domiciled in France.*

For the 2020 financial year, the Board of Directors made a motion to submit for approval to the General Meeting the distribution of €1,023,620,737.92.

APPROPRIATION OF NET INCOME AND DETERMINATION OF THE 2020 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 2021. The breakdown of appropriation is described below. Net income for the financial year ended 31 December 2020 amounted to €1,155,066,800.01. The Board of Directors has decided to advise the General Meeting to allocate this net income as follows:

Amount of net income at 31.12.2020	**1,155,066,800.01**
Appropriation of the net income at 31.12.2020	-
→ to the legal reserve for (the legal reserve is thus 10% of the share capital)	0
→ to a special reserve (Art 238 bis AB paragraph 5 of the French general tax code) for	77,988
	-
Balance of net income at 31.12.2020 after appropriation to special reserve	**1,154,988,812.01**
Amount of retained earnings at 31.12.2020	**4,030,572,023.47**
Amount of distributable earnings	**5,185,560,835.48**
	-
Distribution of the dividend deducted from balance of net income at 31/12/2019 after appropriation to special reserve	**1,023,620,737.92**
	-
Appropriation to retained earnings of the balance of net income after distribution of the dividend for	**131,368,074.09**

UNDATED SUBORDINATED AND DEEPLY SUBORDINATED DEBT

Main issues of undated deeply subordinated notes classified in other comprehensive income:

				31.12.2020				
		Amount in currency at 31.12. 2019	Partial repurchases and redemptions	Amount in currency at 31.12. 2020	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
16/11/2015	EUR	1,800	-	1,800	1,800	(116)	-	-
09/06/2016	USD	720	-	720	643	(61)	-	-
25/06/2018	EUR	500	-	500	500	(23)	-	-
19/09/2018	EUR	500	-	500	500	(25)	-	-
26/02/2019	USD	470	-	470	420	(25)	-	-
18/06/2019	EUR	300	-	300	300	(7)	-	-
27/01/2020	EUR	-	-	500	500	(7)	-	-
TOTAL	-	-	-	-	**4,663**	**(264)**	-	-

At 31 December 2019, issues amounted to €4,163 million in progress and -€257 million in aggregate remuneration Group share.

The changes related to undated subordinated and deeply subordinated financial instruments impacting equity Group share can be broken down as follows:

In millions of euros	31.12.2020	31.12.2019
Undated deeply subordinated notes	**-**	**-**
Interests paid accounted as reserves	(264)	(257)
Income tax savings related to interest paid to security holders recognised in net income	84	88

6.18 Non-controlling interests

Non-controlling interests held by Crédit Agricole CIB are insignificant, except the stakes held in CFM and CA Indosuez Wealth Italy S.P.A..

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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 are by nature without maturity; they are classified as “Indefinite”.

Revaluation adjustments on interest rate-hedged portfolios are considered to have an indefinite maturity, given the absence of defined maturity.

	31.12.2020					
In millions of euros	≤ 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**

	31.12.2019					
In millions of euros	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	58,257	-	-	-	-	58,257
Financial assets at fair value through profit or loss	95,562	25,648	42,511	78,799	7,270	249,790
Hedging derivative Instruments	1,424	89	29	8	-	1,550
Financial assets at fair value through other comprehensive income	1,271	1,860	4,643	1,110	757	9,641
Financial assets at amortised cost	74,173	35,966	64,773	22,522	5	197,439
Revaluation adjustment on interest rate hedged portfolios	1	-	-	-	-	1
TOTAL FINANCIAL ASSETS BY MATURITY	**230,688**	**63,563**	**111,956**	**102,439**	**8,032**	**516,678**
Central banks	1,812	-	-	-	-	1,812
Financial liabilities at fair value through profit or loss	90,679	13,565	49,001	101,522	8	254,775
Hedging derivative Instruments	1,167	85	58	23	-	1,334
Financial liabilities at amortised cost	193,057	27,613	9,957	4,661	2	235,290
Subordinated debt	-	-	-	4,982	-	4,982
Revaluation adjustment on interest rate hedged portfolios	37	-	-	-	-	37
TOTAL FINANCIAL LIABILITIES BY MATURITY	**286,752**	**41,263**	**59,016**	**111,188**	**10**	**498,230**

NOTE 7: EMPLOYEE BENEFITS AND OTHER COMPENSATION

7.1 Analysis of employee expenses

In millions of euros	31.12.2020	31.12.2019
Salaries [1]	(1,621)	(1,579)
Contributions to defined-contribution plans	(85)	(82)
Contributions to defined-benefit plans	(25)	(23)
Other social security expenses	(354)	(339)
Profit-sharing and incentive plans	(34)	(35)
Payroll-related tax	(48)	(48)
TOTAL EMPLOYEE EXPENSES	**(2,167)**	**(2,106)**

[1] *Of which expenses related to share-based payments for €70 million at 31 December 2020 versus €51 million at 31 December 2019.*

7.2 Average headcount

Average number of employees	31.12.2020	31.12.2019
France	4,969	4,885
International	6,589	6,586
TOTAL	**11,558**	**11,471**

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 plan.

7.4 Post-employment benefits, defined-benefit plans

CHANGE IN ACTUARIAL LIABILITY

	31.12.2020			31.12.2019
In millions of euros	Eurozone	Outside Eurozone	All Zones	All Zones
Actuarial liability at 31.12.2019	**220**	**1,653**	**1,873**	**1,717**
Translation adjustments	-	(53)	(53)	64
Cost of service rended during the period	10	32	42	42
Financial cost	2	19	21	31
Employee contributions	-	14	14	16
Benefit plan changes, withdrawals and settlement	2	(16)	(14)	(52)
Changes in scope		36	36	(2)
Benefits paid (mandatory)	(10)	(73)	(84)	(77)
Tax, administratives costs and bonuses	-	-	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions [1]	(3)	34	31	(30)
Actuarial (gains)/losses arising from changes in financial assumptions [1]	19	87	106	201
ACTUARIAL LIABILITY AT 31.12.2020	**240**	**1,733**	**1,973**	**1,910**

[1] *Of which actuarial gains/losses related to experience adjustment.*

BREAKDOWN OF NET CHARGE RECOGNISED IN THE INCOME STATEMENT

	31.12.2020			31.12.2019
In millions of euros	Eurozone	Outside Eurozone	All Zones	All Zones
Service cost	13	17	30	(9)
Income/expenses on net interests	2	1	3	4
IMPACT IN PROFIT AND LOSS AT 31.12.2020	**15**	**18**	**33**	**(5)**

BREAKDOWN OF NET INCOME AND OTHER COMPREHENSIVE INCOME THAT CANNOT BE RECLASSIFIED TO PROFIT OR LOSS

	31.12.2020			31.12.2019
In millions of euros	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 31.12.2019	**128**	**314**	**442**	**367**
Translation adjustments	-	(12)	(12)	11
Actuarial (gains)/losses on assets	-	(83)	(83)	(91)
Actuarial (gains)/losses arising from changes in demographic assumptions [1]	(3)	34	31	(30)
Actuarial (gains)/losses arising from changes in financial assumptions [1]	19	87	105	201
Adjustment of assets restriction's impact	-	-	-	-
IMPACT IN OCI AT 31.12.2020	**15**	**26**	**41**	**91**

[1] *Of which actuarial gains/losses related to experience adjustment.*

CHANGE IN FAIR VALUE OF ASSETS

	31.12.2020			31.12.2019
In millions of euros	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of assets at 31.12.2019	**14**	**1,422**	**1,436**	**1,310**
Translation adjustments	-	(49)	(49)	58
Interests on asset (income)	-	17	18	27
Actuarial gains/(losses)	-	83	83	91
Employer contributions	4	25	28	33
Employee contributions	-	14	14	16
Benefit plan changes, withdrawals and settlement	-	-	-	-
Changes in scope	-	28	28	-
Tax, administratives costs and bonuses	-	-	-	-
Benefits paid out under the benefit plan	(4)	(71)	(75)	(67)
FAIR VALUE OF ASSETS AT 31.12.2020	**14**	**1,469**	**1,483**	**1,468**

NET POSITION

	31.12.2020			31.12.2019
In millions of euros	Eurozone	Outside Eurozone	All Zones	All Zones
Closing actuarial liability	**240**	**1,733**	**1,972**	**1,910**
Impact of asset restriction	-	-	-	-
Fair value of assets at end of period	(15)	(1,470)	(1,484)	(1,467)
NET POSITION OF ASSETS/(LIABILITIES) AT END OF PERIOD	**225**	**263**	**488**	**443**

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

	31.12.2020		31.12.2019	
In percent	Eurozone	Outside Eurozone	All Zones	All Zones
Discount rate [1]	0.46%	0.89%	0.98%	1.17%
Actual return on plan assets and on reimbursement rights	3.43%	7.12%	1.55%	8.93%
Expected salary increase rates [2]	0.59%	1.73%	0.63%	1.79%
Rate of change in medical costs	na	na	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		
In millions of euros	%	Amount	Of which listed	%	Amount	Of which listed	%	Amount	Of which listed
Equities	3.13%	478	478	24.56%	360,924	360,924	24.34%	361,402	361,402
Bonds	33.16%	5,068	5,068	50.67%	744,704	744,704	50.49%	749,772	749,772
Property/Real estate	2.30%	352	-	11.40%	167,515	-	11.30%	167,867	-
Other assets	61.41%	9,384	-	13.37%	196,511	-	13.87%	205,895	-

Crédit Agricole CIB's policy on covering employee benefit obligations reflects local rules on funding post-employment benefits in countries with minimum funding requirements.

Overall, Crédit Agricole CIB covered 75.28% of its employee benefit obligations at 31 December 2020.

At 31 December 2020, the sensitivity analysis showed that:

- a 50-basis point increase in discount rates would reduce the commitment by **-7.51%**;
- a 50-basis point decrease in discount rates would increase the commitment by **8.71%**.

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 2020.

EMPLOYEE BONUS SHARE PLAN

No new plans were implemented in 2020.

CAPITAL INCREASE RESERVED FOR CURRENT AND RETIRED EMPLOYEES OF THE CRÉDIT AGRICOLE GROUP

In 2020, 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 IN CASH INDEXED TO THE SHARE PRICE

The deferred variable compensation plans implemented by the Crédit Agricole CIB Group in respect of 2020 are settled in cash indexed to the Crédit Agricole S.A. share price.

These plans are subject to permanent vesting conditions (continued employment, performance and no risk-taking behaviour) and their payment is deferred over three 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.

7.7 Executive compensation

Top Executives 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 2020 were as follows:

- short-term benefits: €7.1 million for fixed and variable compensation (o/w €0.8 million paid in share-indexed instruments), including social security expenses and benefits in kind;
- post-employment benefits at 31 December 2020: €10.6 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.

Total Directors' fees paid to members of Crédit Agricole CIB's Board of Directors in 2020 in consideration for serving as Directors of Crédit Agricole CIB amounted to €0.59 million.

(1) Of which fair value of reimbursement rights.

NOTE 8: LEASES

8.1 Leases in which the Group is 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.

In millions of euros	31.12.2020	31.12.2019
Owned property, plant & equipment	456	477
Right-of-use on lease contracts	436	522
Total Property, plant & equipment used in operations	**892**	**999**

Crédit Agricole CIB is also a lessee in 1 to 3 year leases of computer equipment (photocopiers, computers, etc.). These are low value and/or short-term leases. 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:

In millions of euros	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)	-	-	19
Depreciation and impairment	(5)	-	(6)	2	-	-	(9)
Total Equipment	**14**	-	**(3)**	-	-	-	**10**
Total Right-of-use	**522**	-	**(74)**	**(8)**	**(12)**	**9**	**436**

In millions of euros	01.01.2019	Change in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Other movements	31.12.2019
Property/Real estate	-	-	-	-	-	-	-
Gross amount	531	-	80	(4)	6	-	613
Depreciation and impairment	(2)	-	(105)	2	-	-	(105)
Total Property/Real estate	**529**	-	**(25)**	**(2)**	**6**	-	**508**
Equipment	-	-	-	-	-	-	-
Gross amount	13	-	7	(1)	-	-	19
Depreciation and impairment	-	-	(6)	-	-	-	(5)
Total Equipment	**13**	-	**1**	-	-	-	**14**
Total Right-of-use	**542**	-	**(24)**	**(2)**	**6**	-	**522**

SCHEDULE OF LEASE LIABILITIES

	31.12.2020				31.12.2019			
In millions of euros	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total Lease liabilities	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total Lease liabilities
Lease liabilities	**106**	**279**	**77**	**463**	**112**	**339**	**102**	**553**

DETAILS OF LEASE INCOME AND EXPENSE

In millions of euros	31.12.2020	31.12.2019
Interest expense on lease liabilities	(7)	(9)
Total Interest and similar expenses (Revenues)	**(7)**	**(9)**
Expense relating to short-term leases	-	(8)
Expense relating to leases of low-value assets	(3)	(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	**(3)**	**(11)**
Depreciation for right-of-use	(115)	(111)
Total Depreciation and amortisation of property, plant & equipment	**(115)**	**(111)**
Total Expense and income on lease contracts	**(125)**	**(131)**

AMOUNTS OF CASH FLOWS FOR THE PERIOD

In millions of euros	31.12.2020	31.12.2019
Total Cash outflow for leases	**(134)**	**(118)**

8.2. Leases in which the Group is 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.

This is the guarantee given by the lessee under which the value (or part of the value) of the underlying asset is not less than the agreed-upon amount at the term of the lease.

LEASE INCOME

In millions of euros	31.12.2020	31.12.2019
Finance leases	**-**	**-**
Selling profit or loss	-	-
Finance income on the net investment in the lease	-	-
Income relating to variable lease payments	-	-
Operating leases	**8**	**10**
Lease income	8	10

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NOTE 9: LOAN AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES

Loan and guarantee commitments and other guarantees include discontinued operations.

COMMITMENTS GIVEN AND RECEIVED

In millions of euros	31.12.2020	31.12.2019
Commitments given	**177,623**	**171,862**
Financing commitments	**119,931**	**113,769**
Commitments given to credit institutions	8,396	8,520
Commitments given to customers	111,535	105,249
Confirmed credit lines	101,372	95,584
Documentary credits	3,902	3,717
Other confirmed credit lines	97,470	91,867
Other commitments given to customers	10,163	9,665
Guarantee commitments	**53,205**	**53,328**
Credit institutions	6,674	6,857
Confirmed documentary credit lines	2,795	3,053
Other	3,879	3,804
Customers	46,531	46,471
Property guarantees	1,954	2,151
Other customer guarantees	44,577	44,320
Securities commitments	**4,487**	**4,765**
Securities to be delivered	4,487	4,765
Commitments received	**169,051**	**175,790**
Financing commitments	**1,212**	**4,087**
Commitments received from credit institutions	544	3,771
Commitments received from customers	668	316
Guarantee commitments	**163,744**	**167,147**
Commitments received from credit institutions	5,879	6,976
Commitments received from customers	157,865	160,171
Guarantees received from government bodies or similar institutions [1]	25,644	25,313
Other guarantees received	132,221	134,858
Securities commitments	**4,095**	**4,556**
Securities to be received	4,095	4,556

[1] At 31 December 2020, 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 €2.1 billion.

FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS COLLATERAL

In millions of euros	31.12.2020	31.12.2019
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.)	55,491	45,934
Securities lent	666	615
Security deposits on market transactions	25,574	23,372
Other security deposits	-	-
Securities sold under repurchase agreements	85,329	77,580
TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL	**167,060**	**147,501**
Carrying amount of financial assets received in garantee	**-**	**-**
Other security deposits	-	-
Fair value of instruments received as reusable and reused collateral	**-**	**-**
Securities borrowed	7	4
Secutities bought under repurchase agreements	141,172	121,730
Securities sold short	37,172	33,468
TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL	**178,352**	**155,203**

RECEIVABLES PLEDGED AS COLLATERAL

In 2020, Crédit Agricole CIB deposited €4.8 billion in receivables with Banque de France for refinancing operations via Crédit Agricole S.A., compared to €693 million in 2019.

At 31 December 2020, Crédit Agricole CIB did not drawn on the refinancing lines obtained from Banque de France.

GUARANTEES HELD

The majority of guarantees and enhancements held consists of mortgage lines, collateral or guarantees received, regardless of the quality of the assets guaranteed.

The guarantees held by the Crédit Agricole CIB Group which it is permitted to sell or to use as collateral, amounted to €178 billion at 31 December 2020 compared to €155 billion at 31 December 2019. They are mainly related to repurchase agreements.

Crédit Agricole CIB policy is to sell seized collateral as soon as possible. Crédit Agricole CIB had no such assets either at 31 December 2020 or at 31 December 2019.

NOTE 10: RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Principles applied by Crédit Agricole CIB

Reclassifications are performed only under exceptional circumstances and following a decision by the Executive Management of Crédit Agricole CIB as a result of internal or external changes: significant changes in the entity's activity.

Reclassifications performed by Crédit Agricole CIB

In 2020, Crédit Agricole CIB did not carry out any reclassifications pursuant to paragraph 4.4.1 of IFRS 9.

NOTE 11: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value is defined on an exit price basis.

The fair values shown below are estimates made at the reporting date using observable market data wherever possible. These are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of assumptions. It is assumed that market participants act in their best economic interest.

To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments in question.

The fair value hierarchy of financial assets and liabilities is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13.

Level 1 applies to the fair value of financial assets and liabilities quoted in active markets.

Level 2 applies to the fair value of financial assets and liabilities with observable inputs. This includes, in particular, market data relating to interest rate risk or credit risk when the latter can be remeasured based on Credit Default Swap (CDS) prices. Repurchase agreements entered into in active markets, depending on the underlying and the maturity of the transaction, may also be included in Level 2 of the hierarchy, in addition to financial assets and liabilities with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 indicates the fair value of financial assets and liabilities with unobservable inputs or for which some data can be remeasured using internal models based on historical data.

This includes, in particular, market data relating to credit risk or early redemption risk. Inputs for which no market information is available, or for which the available market information is considered insufficient, are regarded as unobservable. This qualification may call upon expert opinion. The information examined may include transactions actually concluded, firm or indicative quotations and information resulting from market consensus.

In some cases, market values are close to carrying amounts. This applies primarily to:

- variable-rate assets or liabilities for which interest is regularly adjusted at market rates in force;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- instruments traded on a regulated market for which the prices are set by the public authorities;
- demand assets or liabilities.

6

11.1 Fair value of financial assets and liabilities recognised at amortised cost

Amounts presented below include accruals and prepayments and are net of impairment.

FINANCIAL ASSETS RECOGNISED AT AMORTISED COST AND MEASURED AT FAIR VALUE IN THE BALANCE SHEET

In millions of euros	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**

In millions of euros	Value at 31.12.2019	Estimated fair value at 31.12.2019	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	**159,860**	**160,576**	-	**20,825**	**139,751**
Loans and receivables due from credit institutions	**15,996**	**16,019**	**-**	**15,622**	**397**
Current accounts and overnight loans	2,946	2,948	-	2,932	16
Accounts and long-term loans	12,395	12,409	-	12,028	381
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	641	647	-	647	-
Subordinated loans	-	-	-	-	-
Other loans and receivables	14	15	-	15	-
Loans and receivables due from customers	**143,864**	**144,557**	**-**	**5,203**	**139,354**
Trade receivables	17,853	17,904	-	-	17,904
Other customer loans	120,457	121,093	-	-	121,093
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	474	475	-	475	-
Subordinated loans	40	40	-	-	40
Advances in associates' current accounts	134	134	-	-	134
Current accounts in debit	4,906	4,911	-	4,728	183
Debt securities	**37,580**	**37,680**	**18,198**	**1,665**	**17,817**
Treasury bills and similar securities	7,898	7,939	7,939	-	-
Bonds and other fixed income securities	29,682	29,741	10,259	1,665	17,817
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**197,440**	**198,256**	**18,198**	**22,490**	**157,568**

FINANCIAL LIABILITIES RECOGNISED AT AMORTISED COST AND MEASURED AT FAIR VALUE IN THE BALANCE SHEET

In millions of euros	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**

In millions of euros	Value at 31.12.2019	Estimated fair value at 31.12.2019	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	**44,646**	**44,646**	**-**	**44,614**	**32**
Current accounts and overnight loans	5,822	5,822	-	5,822	-
Accounts and term deposits	37,184	37,184	-	37,152	32
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	1,640	1,640	-	1,640	-
Due to customers	**133,352**	**133,352**	**-**	**133,199**	**153**
Current accounts in credit	49,896	49,896	-	49,896	-
Special savings accounts	152	152	-	-	152
Other amounts due to customers	82,620	82,620	-	82,619	1
Securities sold under repurchase agreements	684	684	-	684	-
Debt securities	**57,291**	**57,305**	**-**	**57,305**	**-**
Subordinated debt	**4,982**	**4,982**	**-**	**4,982**	**-**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**240,271**	**240,285**	**-**	**240,100**	**185**

11.2 Information about financial instruments measured at fair value

Financial instruments are measured by management information systems and checked by a team that reports to the Risk Management Department and is independent from the market operators.

Valuations are based on the use of:

- prices or inputs obtained from independent sources and/or validated by the Market Risk Department using a series of available sources such as pricing service vendors, market consensus data and brokers;
- models validated by the Market Risks 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 those factors, as well as the potential uncertainties inherent in the models or inputs used.

Valuations are based on the use of:

Mark-to-market adjustments: these adjustments correct any potential variance between the mid-market valuations of an instrument obtained using internal valuation models and the associated inputs and the valuation obtained from external sources or market consensus data. These adjustments can be positive or negative;

Bid/ask reserves: these adjustments include the bid/ask spread for a given instrument in order to reflect the price at which the position could be reversed. These adjustments are always negative;

Uncertainty reserves represent a risk premium as considered by any market participant. These adjustments are always negative:

- reserves for input uncertainty incorporate any uncertainty that may exist on one or more inputs used;
- reserves for model uncertainty incorporate any uncertainty that may exist because of the choice of model used.

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);
- to future financing costs and gains (Funding Valuation Adjustment);
- to the 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 into the value of the OTC derivatives the market value of the default risk (risk that amounts owed to us are not repaid in the event of default or deterioration in creditworthiness) of our counterparties. This adjustment is calculated per counterparty based on the positive future exposure profiles of the trading book (taking into account any netting or collateral agreements, where such exist) weighted by probability of default and loss given default.

The methodology used maximises the use of market data/ prices (probability of default is in priority, directly deduced from listed CDS when they exist, listed CDS proxies, if any, or other credit instruments when they are judged 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 into the value of fully collateralised OTC derivatives the market value of own default risk (potential losses to which CACIB may expose its counterparties in the event of default or a deterioration in its creditworthiness). This adjustment is calculated by type of collateral contract on the basis of future negative exposure profiles of the trading book weighted by probability of default (of Crédit Agricole S.A.) and loss given default.

The methodology used maximises the use of market data/prices (use of the Crédit Agricole S.A. CDS to determine probabilities 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 into the fair value of non-collateralised, or imperfectly collateralised OTC derivatives the additional future funding costs and benefits based on Asset & Liabilities Management (ALM) costs. This adjustment is calculated by counterparty on the basis of future exposure profiles of the trading book (taking account of the netting agreements and any collateral agreements) weighted by ALM funding spreads.

For "cleared" derivatives, an FVA adjustment called IMVA (Initial Margin Value Adjustment) is calculated in order to take account of the costs and benefits of future funding of initial margins to be posted with the main clearing houses on derivatives until the maturity of the portfolio.

LVA ADJUSTMENT

The LVA (Liquidity Valuation Adjustment) is the positive or negative valuation adjustment of aimed at materialising both the absence of potential collateral payment for counterparties (Credit Support Annex), as well as the non-standard remuneration of CSAs.

The LVA thus materialises the gain or loss resulting from additional liquidity costs. It is calculated on the scope of OTC derivatives with CSA.

BREAKDOWN OF FINANCIAL INSTRUMENTS AT FAIR VALUE BY VALUATION MODEL

Amounts presented below include accruals and prepayments and are net of impairment.

Under assets, transfers from Level 2 to Level 3 predominantly resulted from better identification of the fair value of transactions outstanding at 31/12/2019 (€186m). Transfers from Level 3 to Level 2 resulted primarily from repo positions that had become observable in line with observability mapping (€1.3bn).

Under liabilities, 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). Transfers from Level 3 to Level 2 resulted primarily from positions that had become observable in line with observability mapping (€500m).

Financial assets measured at fair value

In millions of euros	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**	**0**	**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	0
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 involved listed options on equity underlyings.

Transfers from Level 1 to Level 3 involved bonds and other fixed-income securities.

Transfers from Level 2 to Level 1 mainly involved treasury bills and bonds and other fixed-income securities.

Transfers from Level 2 to Level 3 mainly involved securities bought under resale agreements from clients and trading derivatives. This transfers result from better identification of the fair value of transactions outstanding at 31/12/2019 for €186m.

Transfers from Level 3 to Level 1 involved bonds and other fixed-income securities.

In millions of euros	31.12.2019	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	**249,068**	**23,558**	**219,745**	**5,765**
Loans and receivables due from credit institutions	61	-	61	-
Loans and receivables due from customers	893	-	-	893
Securities bought under repurchase agreements	105,486	-	103,287	2,199
Pledged securities	-	-	-	-
Held for trading securities	25,299	22,782	1,757	760
Treasury bills and similar securities	13,601	12,478	1,122	1
Bonds and other fixed income securities	4,754	3,956	633	165
Mutual funds	43	43	-	-
Equities and other variable income securities	6,901	6,305	2	594
Derivative instruments	117,329	776	114,640	1,913
Other financial instruments at fair value through profit or loss	**722**	**203**	**18**	**501**
Equity instruments at fair value through profit or loss	**359**	**180**	**13**	**166**
Equities and other variable income securities	213	180	13	20
Non-consolidated equity investments	146	-	-	146
Debt instruments that do not meet the conditions of the "SPPI" test	**363**	**23**	**5**	**335**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	325	-	-	325
Debt securities	38	23	5	10
Treasury bills and similar securities	2	-	-	2
Bonds and other fixed income securities	27	19	-	8
Mutual funds	9	4	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	**9,641**	**9,304**	**110**	**227**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**758**	**551**	**-**	**207**
Equities and other variable income securities	476	441	-	35
Non-consolidated equity investments	282	110	-	172
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**8,883**	**8,753**	**110**	**20**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	8,884	8,754	110	20
Treasury bills and similar securities	2,065	2,065	-	-
Bonds and other fixed income securities	6,819	6,689	110	20
Hedging derivative Instruments	**1,550**	**-**	**1,550**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**260,981**	**33,065**	**221,423**	**6,493**
Transfers from Level 1: Quoted prices in active markets for identical instruments	4,474	-	4,368	106
Transfers from Level 2: Valuation based on observable data	1,819	112	-	1,707
Transfers from Level 3: Valuation based on unobservable data	1,894	72	1,822	-
TOTAL TRANSFERS TO EACH LEVEL	**8,187**	**184**	**6,190**	**1,813**

Under assets, transfers to and from Level 3 resulted from better identification of the fair value of transactions outstanding at 31 December 2018 in the following on-balance sheet instruments: securities bought under resale agreements, over-the-counter derivatives and treasury bills. This amount stood at +€0.1 billion.

▶ Financial liabilities measured at fair value

In millions of euros	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 involved listed options on equity underlyings.

Transfers from Level 2 to Level 1 mainly involved negotiable debt securities.

Transfers from Level 3 to Level 1 had no impact on financial year 2020.

Transfers from Level 3 to Level 2 mainly involved securities bought under resale and interest rate swaps. The review observability mapping on derivatives and liabilities at fair value by option amounted to €500m and applied to repos.

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).

In millions of euros	31.12.2019	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	**224,788**	**33,908**	**189,233**	**1,648**
Securities sold short	33,472	33,259	213	1
Securities sold under repurchase agreements	75,240	-	74,320	920
Debt securities	54	-	54	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	116,022	649	114,646	727
Financial liabilities designated at fair value through profit or loss	**29,987**	**-**	**22,471**	**7,515**
Hedging derivative Instruments	**1,334**	**-**	**1,334**	**-**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**256,109**	**33,908**	**213,038**	**9,163**
Transfers from Level 1: Quoted prices in active markets for identical instruments	4,024		4,024	-
Transfers from Level 2: Valuation based on observable data	639	34	-	605
Transfers from Level 3: Valuation based on unobservable data	4,917	241	4,676	-
TOTAL TRANSFERS TO EACH LEVEL	**9,580**	**275**	**8,700**	**605**

Under liabilities, transfers to and from Level 3 resulted from better identification of the fair value of transactions outstanding at 31/12/2018 in the following on-balance sheet instruments: over-the-counter derivatives and issues at fair value by option. This amount stood at -€2.1 billion.

Financial instruments classified in Level 1

Level 1 comprises all derivatives quoted in an active market (options, futures, etc.), regardless of their underlying (interest rate, exchange rate, precious metals, key stock indices), as well as equities and bonds quoted in an active market.

A market is regarded as being active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Corporate, government and agency bonds that are measured using prices obtained from independent sources considered as executable and updated regularly are classified in Level 1. This covers the bulk of the sovereign, agency and corporate bonds held. Issuers whose bonds are not quoted are classified in Level 3.

Financial instruments classified in Level 2

The main financial instruments classified in Level 2 are:

- Liabilities recognised at fair value by option

Liabilities designated at fair value through profit or losses are classified in Level 2 when their embedded derivative is considered to be classified in Level 2;

- Over-the-counter derivatives

The main OTC derivatives classified in Level 2 are those measured using inputs considered to be observable and where the valuation technique does not generate any significant exposure to model risk.

Level 2 therefore mainly comprises:

- linear derivative products such as interest rate swaps, currency swaps and forex forwards. They are measured using simple models widely used in the market, based on either directly observable inputs (exchange rates, interest rates) or inputs that can be derived from 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. They are measured using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates, share prices) or inputs that can be derived from observable market prices (volatilities);
- Some structured products have quoted market prices on a continuous basis and are measured using a model subject to market consensus;
- securities quoted in a market deemed inactive and for which independent valuation data are available;
- futures and listed equity options subject to low trading volumes.

Financial instruments classified in Level 3

Financial instruments classified in Level 3 are those which do not meet the conditions for classification in Level 1 or 2. They are therefore mainly financial instruments with a high model risk whose valuation requires substantial use of unobservable inputs.

All or part of the initial margin on all new transactions classified in Level 3 is reserved at the date of initial recognition. It is added back to profit or loss either staggered over the period during which the inputs are considered to be unobservable or in full at the date when the inputs become observable or if the transaction is terminated.

Level 3 therefore mainly comprises:

- Securities.

Level 3 securities mainly include:

  - unlisted shares or bonds for which no independent valuation is available;
  - ABS and CLOs for which there are indicative independent quotes but these are not necessarily executable;
  - ABS, CLOs and super senior and mezzanine CDO tranches where it cannot be demonstrated that the market is active.

- Liabilities recognised at fair value by option

Liabilities designated at fair value through profit or loss by option are classified in Level 3 when their embedded derivative is considered to be classified in Level 3.

- Over-the-counter derivatives

Unobservable income comprises complex financial instruments significantly exposed to model risk or involving inputs considered unobservable.

All of these principles are mapped for observability in the three levels indicating the level chosen for each product, currency and maturity.

Level 3 mainly comprises:

- interest rate exposures or very long-dated currency swaps or swaps in emerging currencies;
- equity exposures, mainly through products traded on shallow option markets or indexed to volatility or equity/equity correlations and long-dated forward or futures contracts;
- exposures to non-linear (interest rate or forex) instruments with a long maturity in key currencies/indices;
- non-linear exposures to emerging market currencies;
- complex derivatives.

The main exposures involved are:

- "path dependant" structured rate products, i.e. their future flows depend on past trajectories followed by rate swaps. These products call for the use of complex valuation models;
- securitisation swaps generating exposure to the prepayment rate. The prepayment rate is determined on the basis of historical data on similar portfolios. The assumptions and inputs used are checked regularly on the basis of actual prepayments;
- hybrid products: the flows on these products depend on the joint behaviour of two different types of underlying assets, namely rates, indices, exchange rates, credit spreads;
- CDOs based on corporate credit baskets. These are now insignificant;
- certain complex derivative products on shares.
- repo instruments, for long maturities, or in emerging currencies, or with complex underlyings.

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				
										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		
				Held-for-trading securities									Debt securities					Debt securities		
In millions of euros	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 (01.01.2020)	**6,495**	**893**	**2,199**	**1**	**165**	**594**	**760**	**1,913**	**20**	**146**	**325**	**2**	**8**	**10**	**35**	**174**	**-**	**20**	**20**
Gains or losses during the period [1]	(520)	(47)	(57)	-	(6)	(327)	(334)	(7)	(35)	(7)	(17)	(1)	1	-	(2)	(14)	-	-	-
Recognised in profit or loss	(427)	(22)	(24)	-	(6)	(327)	(334)	(7)	(34)	(1)	(5)	(1)	1	-	-	-	-	-	-
Recognised in other comprehensive income	(93)	(25)	(33)	-	-	-	-	-	(1)	(6)	(12)	-	-	-	(2)	(14)	-	-	-
Purchases	2,387	415	989	-	12	4	17	913	39	-	-	-	4	5	3	6	-	-	-
Sales	(1,022)	(779)	(15)	-	(11)	-	(12)	(190)	(6)	(4)	(7)	-	(2)	(1)	-	(8)	-	-	-
Issues	4	-	-	-		-		4	-	-	-	-	-	-	-	-	-	-	-
Settlements	(75)	(21)	(5)	(1)	(2)	-	(2)	(16)	-	-	(11)	-	-	-	-	-	-	(20)	(20)
Reclassifications	-	275	-	-	-	-	-	-	-	-	(275)	-	-	-	-	-	-	-	-
Changes associated with scope during the period	(20)	-	-	-	-	-	-	-	-	-	(10)	(1)	-	(10)	-	-	-	-	-
Transfers	(1,121)	(5)	(1,108)	-	(2)	-	(2)	(18)	-	-	-	-	12	12	-	-	-	-	-
Transfers to Level 3	198	-	81	-	6	-	6	99	-	-	-	-	12	12	-	-	-	-	-
Transfers from Level 3	(1,319)	(5)	(1,189)	-	(8)	-	(8)	(118)	-	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE (31.12.2020)	**6,128**	**731**	**2,003**	**-**	**156**	**271**	**427**	**2,599**	**18**	**135**	**5**	**-**	**16**	**16**	**36**	**158**	**-**	**-**	**-**

[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:*

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▶ Financial liabilities measured at fair value according to Level 3

		Financial liabilities held for trading						Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
In millions of euros	Total	Securities sold short	Securities sold under repurchase agreements	Debt securities	Due to credit institutions	Due to customers	Derivative Instruments		
Opening balance (01.01.2020)	**9,161**	**1**	**919**	**-**	**-**	**-**	**726**	**7,515**	**-**
Gains or losses during the period [1]	(357)	1	(104)	-	-	-	178	(432)	-
Recognised in profit or loss	(357)	1	(104)	-	-	-	178	(432)	-
Recognised in other comprehensive income	-	-	-	-	-	-	-	-	-
Purchases	275	-	128	-	-	-	146	1	-
Sales	(193)	-	-	-	-	-	(8)	(185)	-
Issues	1,549	-	-	-	-	-	-	1,549	-
Settlements	(3,247)	(2)	-	-	-	-	(76)	(3,169)	-
Reclassifications	-	-	-	-	-	-	-	-	-
Changes associated with scope during the period	-	-	-	-	-	-	-	-	-
Transfers	459	-	(206)	-	-	-	192	473	-
Transfers to Level 3	1,140	-	226	-	-	-	263	651	-
Transfers from Level 3	(681)	-	(432)	-	-	-	(71)	(178)	-
CLOSING BALANCE (31.12.2020)	**7,647**	**-**	**737**	**-**	**-**	**-**	**1,158**	**5,752**	**-**

[1] *This balance includes the gains and losses of the period made on liabilities reported on the balance sheet at the closing date.*

Gains and losses taken to profit or loss on financial instruments held for trading taken to profit or loss, and at fair value through profit or loss by option, and gains and losses on derivatives are recorded under “Net gains (losses) on financial instruments at fair value through profit or loss”; gains and losses taken to profit or loss on financial assets at fair value through other comprehensive income are recorded under “Net gains (losses) on financial instruments at fair value through other comprehensive income”.

11.3 Estimated impact of inclusion of the margin at inception

In millions of euros	31.12.2020	31.12.2019
Deferred margin at 1st January	**66**	**61**
Margin generated by new transactions during the period	61	36
Recognised in net income during the period	-	-
Amortisation and cancelled / reimbursed / matured transactions	(63)	(24)
Profit-sharing and incentive plans	-	-
Effects of inputs or products reclassified as observable during the period	(6)	(7)
Other movements [1]	80	-
DEFERRED MARGIN AT THE END OF THE PERIOD	**138**	**66**

[1] *The amount of €80m recorded under Other changes resulted from the revision in financial year 2020 of the historical Day 1 calculation method covering the non-linear scope.*

The Day 1 margin on market transactions classified in Level 3 of the fair value hierarchy is reserved for the balance sheet and recognised in profit or loss over time or when unobservable inputs become observable.

NOTE 12: SCOPE OF CONSOLIDATION A 31 DECEMBER 2020

12.1 Information on subsidiaries

12.1.1 RESTRICTIONS ON CONTROLLED ENTITIES

Crédit Agricole CIB is subject to the following restrictions:

- Regulatory constraints

The subsidiaries of 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

The subsidiaries of Crédit Agricole CIB are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In most of cases, they are less restrictive than the regulatory limitations mentioned above.

- Other constraints

Certain subsidiaries of Crédit Agricole CIB must submit proposed dividend payouts to their regulatory authorities for prior approval.

12.1.2 SUPPORT FOR STRUCTURED ENTITIES UNDER GROUP CONTROL

Crédit Agricole CIB has contractual arrangements with some consolidated structured entities under Group control that equate to commitments to provide financial support.

To meet its funding needs Crédit Agricole CIB uses structured debt issuance vehicles to raise cash on financial markets. The securities issued by these entities are fully underwritten by Crédit Agricole CIB. At 31 December 2020, the outstanding volume of these issues was €7 billion.

As part of its third-party securitisation business, Crédit Agricole CIB provides short-term credit facilities to its ABCP conduits. At 31 December 2020, these short-term credit facilities totalled €35 billion.

12.2 Composition of the consolidation group

Scope of consolidation - Crédit Agricole CIB Group	(a)	Location	Registered office if different from location	(b) Type of entity and nature of control	Consolidation method 31.12.2020	% of control		% interest	
						31.12.2020	31.12.2019	31.12.2020	31.12.2019
Parent company and branches									
Crédit Agricole CIB S.A.	-	France		Parent company	parent	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 Agriciole CIB (Belgium)	-	Belgium	France	Branch	full consolidation	100	100	100	100
Crédit Agricole CIB (Miami)	D4	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	E2	Qatar	France	Branch	full consolidation	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	-	Algeria	-	Subsidiary	full consolidation	100	100	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 Wealth (Europe - Italy)	S1	Italy	Luxembourg	Branch	full consolidation	-	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 Wealth (France)	-	France	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Gestion	-	France	-	Subsidiary	full consolidation	100	100	100	100
Ester Finance Technologies	D1	France	-	Subsidiary	full consolidation	100	100	100	100
CA Indosuez Wealth Italy S.P.A.	-	Italy	-	Subsidiary	full consolidation	100	100	100	100
Brokerage companies									
Crédit Agricole Securities (USA) Inc	-	United States	-	Subsidiary	full consolidation	100	100	100	100
Crédit 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

Scope of consolidation - Crédit Agricole CIB Group	(a)	Location	Registered office if different from location	(b) Type of entity and nature of control	Consolidation method 31.12.2020	% of control 31.12.2020	% of control 31.12.2019	% interest 31.12.2020	% interest 31.12.2019
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'Asie (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)	-	France	-	Subsidiary	full consolidation	100	100	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, Succursale de Noumea	-	New Caledonia	France	Branch	full consolidation	70	70	69	69
Insurance									
CAIRS Assurance S.A.	-	France	-	Subsidiary	full consolidation	100	100	100	100
Other									
Calixis Finance	S5	France	-	Controlled structured entity	full consolidation	-	100	-	100
Calliope srl	S2	Italy	-	Controlled structured entity	full consolidation	-	100	-	100
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
DGAD International SARL	S2	Luxembourg	-	Subsidiary	full consolidation	-	100	-	100
MERISMA	-	France	-	Controlled structured entity	full consolidation	100	100	100	100
Sagrantino Italy srl	S2	Italy	-	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
Sococlabecq	S4	Belgium	-	Subsidiary	full consolidation	-	100	-	98
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
Placements et réalisations immobilières (SNC)	S5	France	-	Subsidiary	full consolidation	-	100	-	97
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 EUR FCC	S1	France	-	Controlled structured entity	full consolidation	-	100	-	-
Héphaïstos GBP FCT	S1	France	-	Controlled structured entity	full consolidation	-	100	-	-
Héphaïstos USD FCT	S1	France	-	Controlled structured entity	full consolidation	-	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	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Vulcain EUR FCT	S1	France	-	Controlled structured entity	full consolidation	-	100	-	-
Vulcain Multi-Devises FCT	S1	France	-	Controlled structured entity	full consolidation	-	100	-	-
Vulcain USD FCT	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	-	-

Scope of consolidation - Crédit Agricole CIB Group	(a)	Location	Registered office if different from location	(b) Type of entity and nature of control	Consolidation method 31.12.2020	% of control		% interest	
						31.12.2020	31.12.2019	31.12.2020	31.12.2019
Triple P FCC	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
ESNI (compartiment Crédit Agricole CIB)	-	France	-	Controlled structured entity	full consolidation	100	100	100	100
Elipso Finance S.r.l	S2	Italy	-	Structured joint venture	equity method	-	50	-	50
CA-CIB Pension Limited Partnership	-	United Kingdom	-	Controlled structured entity	full consolidation	100	100	100	100
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	-	France	-	Controlled structured entity	full consolidation	100	100	-	-
Tsubaki OFF	-	France	-	Controlled structured entity	full consolidation	100	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	E1	Ireland	-	Controlled structured entity	full consolidation	100	-	100	-

(a) Change in scope

Inclusions (E) in the scope of consolidation

E1: Breach of threshold
E2: Creation
E3: Acquisition (including controlling interests)

Exclusions (S) from the scope of consolidation

S1: Discontinuation of business (including dissolution and liquidation)
S2: Sale to non-Group companies or deconsolidation following loss of control
S3: Deconsolidated due to non-materiality
S4: Merger or takeover
S5: Transfer of all assets and liabilities

Other (D):

D1: Change of company name
D2: Change in consolidation method
D3: First time listed in the Note on scope of consolidation
D4: IFRS 5 entities
D5: Inclusion in scope of consolidation in accordance with IFRS 10
D6: Change in consolidation method in accordance with IFRS 11

(b) Entity type and nature of control

F: Subsidiary
S: Branch
ESC: Controlled structured entity
Co-E: Joint venture
Co-ES: Exclusions (S) from the scope of consolidation
OC: Joint venture
EA: Associate
EAS: Structured associate

NOTE 13: INVESTMENTS IN NON-CONSOLIDATED COMPANIES AND STRUCTURED ENTITIES

13.1 Investments in non-consolidated companies

These shares, recorded at fair value through profit or loss or fair value through other comprehensive income that cannot be reclassified to profit or loss, are variable-income securities that represent a significant portion of the capital of the companies that issued them, and are intended to be held on a long-term basis

This item amounted to €232 million at 31 December 2020 versus €282 million at 31 December 2019.

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 2020, 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, is tasked with structuring securitisation vehicles through the purchase of trade or financial receivables. The vehicles fund such purchases by issuing multiple tranches of debt and equity investments, with repayment being linked to the performance of the assets in such vehicles.

Crédit Agricole CIB invests in and provides short-term credit facilities to the securitisation vehicles it has sponsored on behalf of clients.

Structured Finance

Crédit Agricole CIB is involved in special purpose asset acquisition entities. These entities may take the form of asset financing companies or lease financing companies. In structured entities, the financing is secured by the asset. The Group's involvement is often limited to the financing or to financing commitments.

Sponsored entities

Crédit Agricole CIB sponsors structured entities in the following instances:

- Crédit Agricole CIB is involved in establishing the entity and that involvement, which is remunerated, is deemed essential for ensuring the proper completion of transactions;
- structuring takes place at the request of Crédit Agricole CIB and it is the main user thereof;
- Crédit Agricole CIB transfers its own assets to the structured entity;
- Crédit Agricole CIB is the manager;
- the name of a subsidiary or of the parent company of Crédit Agricole CIB is linked to the name of the structured entity or to the financial instruments issued by it.

INFORMATION ON THE RISKS ASSOCIATED WITH INTERESTS HELD

Financial support for structured entities

In 2020, Crédit Agricole CIB provided no financial support for non-consolidated structured entities.

At 31 December 2020, Crédit Agricole CIB had no intention to provide financial support for a non-consolidated structured entity.

◆ 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 2020 and at 31 December 2019 is presented in the tables below for all categories of sponsored structured entities of material significance to Crédit Agricole CIB:

	31.12.2020											
	Securitisation vehicules				Investments funds [1]				Structured finance [1]			
	Maximum loss				Maximum loss				Maximum loss			
In millions of euros	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	21	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	-	0	-	0
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 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.*

	31.12.2019											
	Securitisation vehicules				Investments funds [1]				Structured finance [1]			
		Maximum loss				Maximum loss				Maximum loss		
In millions of euros	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	9	9	-	9	-	-	-	-	20	20	-	20
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost	2,351	2,351	-	2,351	-	-	-	-	2,261	2,261	-	2,261
Total Assets recognised relating to non-consolidated structured entities	**2,360**	**2,360**	**-**	**2,360**	**-**	**-**	**-**	**-**	**2,281**	**2,281**	**-**	**2,281**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities	128	-	-	-	-	-	-	-	492	-	-	-
Total Liabilities recognised relating to non-consolidated structured entities	**128**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**492**	**-**	**-**	**-**
Commitments given	-	1,608	-	1,608	-	-	-	-	-	1,380	-	1,380
Financing commitments	-	1,551	-	1,551	-	-	-	-	-	1,216	-	1,216
Guarantee commitments	-	57	-	57	-	-	-	-	-	164	-	164
Other	-	-	-	-	-	-	-	-	-	-	-	-
Provisions for execution risks - commitments given	-	-	-	-	-	-	-	-	-	-	-	-
Total Commitments (net of provision) to non-consolidated structured entities	**-**	**1,608**	**-**	**1,608**	**-**	**-**	**-**	**-**	**-**	**1,380**	**-**	**1,380**
Total Balance sheet relating to non-consolidated structured entities	**2,232**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,281**	**-**	**-**	**-**

[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 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 LOSSES

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 credit default swaps for which the exposure corresponds to assets for the notional amount and to liabilities for the notional amount less the mark-to-market. The maximum exposure to loss risk on commitments given corresponds to the notional amount and the provision for commitments given in the amount recognised on the balance sheet.

NOTE 14: EVENTS SUBSEQUENT TO 31 DECEMBER 2020

There were no events after the reporting period.

4. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(FOR THE YEAR ENDED 31 DECEMBER 2020)

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*

To the General Meeting, Crédit Agricole Corporate and Investment Bank - 12 Place, des États-Unis - CS 70052 - 92547 Montrouge Cedex

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 2020.

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 at 31 December 2020 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.

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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. 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

Description of risk

Crédit Agricole Corporate and Investment Bank is subject to judicial proceedings and a number of investigations and requests for regulatory information from different regulators. These concern in particular the Euribor/Libor and SSA Bonds matters with authorities from various countries (USA, UK) and the European Union.

A number of tax investigations are also ongoing in France and certain countries where the Group operates.

Deciding whether to recognise 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, particularly as part of certain structural transactions.

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 judicial 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.

How our audit addressed this risk

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 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 Crédit Agricole Corporate and Investment Bank and Group entities, correspondence from regulators and minutes of Legal Risks Committee meetings);
- gaining an understanding of the analyses or findings of the Crédit Agricole Corporate and Investment Bank's legal counsel and their responses to our requests for confirmation;
- as regards tax risks in particular, examining, with guidance from our experts, the 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 2020.

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 IN THE CONTEXT OF THE COVID-19 CRISIS.

Description of risk

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.

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 estimate 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 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.

At 31 December 2020, ECL value adjustments on all eligible loans amounted to €3.5 billion (€3.1 billion recognised under assets), of which:

- **€1,044 million of value adjustments pertaining to performing and underperforming assets (€298 million in Bucket 1 and €746 million in Bucket 2);**
- **€2,458 million of value adjustments pertaining to non-performing loans (Bucket 3).**

See Notes 3.1, 4.9 and 6.5 to the consolidated financial statements.

How our audit addressed this risk

We examined the procedures implemented by the Risk Management department to categorise 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 health crisis linked to Covid-19, 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 the Group for the annual portfolio reviews, the updating of credit ratings, the identification of sectors weakened by the Covid-19 crisis, underperforming or non-performing loans and the measurement of value adjustments. We also familiarised ourselves with the main findings of the Group's specialised committees in charge of monitoring underperforming and non-performing loans.

Regarding value adjustments for expected losses in Buckets 1 and 2, we:

- asked experts to assess the methods and measurements for the various ECL inputs and calculation models;
- assessed the analyses carried out by the Bank on sectors with a deteriorated outlook and having been seriously impacted by the Covid-19 crisis;
- examined the methodology used by 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 recognised 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 CLASSIFIED IN LEVEL 3

Description of risk

As part of its capital markets activities, Crédit Agricole Corporate and Investment Bank originates, structures, sells and trades derivative financial instruments, for corporates, financial institutions and major issuers. Moreover, the issue of debt instruments, some of which are hybrid, to the Group's international and domestic customers contributes to the management of Crédit Agricole Corporate and Investment Bank'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 recognised in financial liabilities subject to the fair value through profit or loss option.

These financial instruments are classified in level 3 when their measurement requires the use of significant unobservable market inputs. We deemed the measurement of these instruments to be a key audit matter, as it requires judgement from 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. At 31 December 2020, derivative instruments categorised in level 3 amounted to €2.6 billion in assets and €1.2 billion in liabilities.

Hybrid issues are recognised in financial liabilities subject to the fair value through profit or loss option. At 31 December 2020, they represented €24 billion in liabilities.

See Notes 3.2, 6.2 and 11.2 to the consolidated financial statements.

How our audit addressed this risk

We gained an understanding of the processes and controls put in place by Crédit Agricole Corporate and Investment Bank to identify, measure and recognise derivative financial instruments and hybrid issues classified in level 3.

We examined the controls that we deemed of key importance, 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 experts in the valuation of financial instruments, we carried out independent valuations, analysed those performed by Crédit Agricole Corporate and Investment Bank and examined the assumptions, inputs, methodologies and models used at 31 December 2020. In particular, we examined the documentation concerning changes over the year in the observability mapping.

We also assessed the main valuation adjustments recognised, as well as the justification provided by management for the main differences observed in margin calls and losses and/or gains in the event of the disposal of financial products.

RISK IN RELATION TO MEASUREMENT OF GOODWILL

Description of risk

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 three-year financial forecasts used by the Group to manage its activity and extended by two years.The rate of capital allocation is determined by taking into account any specific requirements set by the regulator (in particular for Pillar 2).

We deemed the measurement of goodwill to be a key audit matter:

- as management must exercise judgement to make decisions concerning the key assumptions to use, in particular for determining economic scenarios against the backdrop of the health crisis linked to Covid-19, financial forecasts and discount rates; and
- given the difference between the value in use and the carrying amount, past performance and the sensitivity of impairment tests to the assumptions used by management.

The impairment tests performed at 31 December 2020 did not lead to any impairment losses being recognised on goodwill. Sensitivity tests are set out in Note 6.14 to the consolidated financial statements.

How our audit addressed this risk

We gained an understanding of the procedures implemented by Crédit Agricole Corporate and Investment Bank to identify objective indications of impairment and to assess the need to recognise impairment losses against goodwill.

We included valuation experts 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 Crédit Agricole Corporate and Investment Bank's 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 Crédit Agricole Corporate and Investment Bank'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.

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the single European electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. Regarding the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Crédit Agricole Corporate and Investment Bank by the General Meeting of Shareholders held on 30 April 2004 for PricewaterhouseCoopers Audit and on 20 May 1997 for Ernst & Young et Autres.

At 31 December 2020, PricewaterhouseCoopers Audit and Ernst & Young et Autres were in the seventeenth and the twenty-fourth consecutive year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of 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 expects 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, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

◆ Objective 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 of 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 taken by users on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;

- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain 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 Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute 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 defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, 22 March 2021

The Statutory Auditors

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Anik Chaumartin	Laurent Tavernier	Olivier Durand	Matthieu Préchoux

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PARENT-COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2020

Approved by the Board of Directors on 09 February 2021 and submitted for approval by the Ordinary General meeting of 03 May 2021.

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€1,155 M

NET INCOME

€4,815 M

NET BANKING INCOME

€566,371 M

TOTAL BALANCE SHEET

1. CRÉDIT AGRICOLE CIB (S.A.) FINANCIAL STATEMENTS

1.1. ASSETS

€ million	Notes	31.12.2020	31.12.2019
Cash money market and interbank items	-	**154,810**	**147,578**
Cash due from central banks	-	49,315	54,752
Treasury bills ans similar securities	4 - 4.2 - 4.3 - 4.4	21,489	31,300
Loans and receivables to credit institutions	2	84,006	61,526
Loans and receivables to customers	3 - 3.1 - 3.2 - 3.3 - 3.4	**189,459**	**178,388**
Portfolio securities	-	**34,399**	**38,893**
Bonds and other fixed income securities	4 - 4.2 - 4.3 - 4.4	28,601	28,684
Equities and other equity variables income securities	4 - 4.2	5,798	10,209
Fixed assets	-	**6,784**	**6,690**
Equity investments and other long-term equity investments	5 - 5.1 - 6	242	251
Investments in subsidiaries and affiliates	5 - 5.1 - 6	6,241	6,125
Intangible assets	6	221	224
Property, plant and equipment	6	80	90
Financial lease and similar operations	6	-	-
Treasury shares	-	**-**	**-**
Accruals, prepayments and sundry assets	-	**180,919**	**153,533**
Other assets	7	53,956	49,159
Accruals and prepayments	7	126,963	104,374
Total assets	-	**566,371**	**525,082**

The impact of the application of the new ANC 2020-10 rule amounts to -€26.9 billion as at 31.12.2020.

1.2. LIABILITIES

€ million	Notes	31.12.2020	31.12.2019
Cash money markets and interbank items	-	**85,571**	**74,970**
Due to central banks	-	815	1,788
Due to credit institutions	9	84,756	73,182
Due to customers	10.1 -10.2 - 10.3	**207,321**	**176,522**
Debts securities	11.1 - 11.2	**31,258**	**47,839**
Accruals, deferred income and sundry liabilities	-	**214,307**	**198,561**
Other liabilities	12	88,046	89,835
Accruals and deferred income	12	126,261	108,726
Provisions and subordinated debt	-	**12,498**	**12,418**
Provisions	13	3,570	3,267
Subordinated debt	14	8,928	9,151
Fund for general banking risks (FGBR)	-	**-**	**-**
Equity (excluding FGBR)	15	**15,416**	**14,772**
Share capital	-	7,852	7,852
Share premium	-	1,573	1,573
Reserves	-	805	805
Revaluation adjustments	-	-	-
Regulated provisions and investment subsidies	-	-	-
Retained earnings	-	4,031	3,213
Net income for the financial year	-	1,155	1,329
Total equity and liabilities	-	**566,371**	**525,082**

1.3. OFF-BALANCE SHEET

€ million	31.12.2020	31.12.2019
Commitments given	**333,101**	**304,244**
Financing commitments	**178,212**	**168,173**
Commitments to credit institutions	41,061	30,392
Commitments to customers	137,151	137,781
Guarantee commitments [1]	**68,566**	**71,582**
Commitments to credit institutions	20,801	23,181
Commitments to customers	47,765	48,401
Commitments on securities [1]	**30,957**	**18,082**
Other commitments given [1]	**55,366**	**46,407**
Commitments received	**205,584**	**202,956**
Financing commitments [2]	**11,658**	**17,014**
Commitments to credit institutions	6,088	10,997
Commitments to customers	5,570	6,017
Guarantee commitments [2]	**149,059**	**152,760**
Commitments to credit institutions	5,368	6,844
Commitments to customers	143,691	145,916
Commitments on securities [2]	**31,232**	**19,733**
Other commitments received	**13,635**	**13,449**

[1] Including €10,136 million in commitments given to Crédit Agricole S.A. at 31.12.2020.
[2] Including €35 million in financing commitments received from Crédit Agricole S.A. at 31.12.2020.

Off-balance sheet items: Other information

Foreign exchange transactions and amounts payable in foreign currency: Note 18.
Transactions involving forward financial instruments: Notes 19; 19.1; 19.2 and 19.3.

1.4. INCOME STATEMENT

€ million	Notes	31.12.2020	31.12.2019
Interest and similar income	20 - 21	6,152	8,695
Interest and similar expenses	20	(3,887)	(8,056)
Income from variable-income securities	21	246	135
Fee and commission income	22 - 22.1	1,008	876
Fee and commission expenses	22 - 22.1	(557)	(480)
Net gain/(loss) on trading book	23	1,565	2,511
Net gain/(loss) on investment portfolios	24	248	-
Other banking income	-	215	337
Other banking expenses	-	(175)	(74)
Revenues	-	**4,815**	**3,944**
Operating expenses	-	**(2,588)**	**(2,497)**
Personnal costs	25.1 - 25.3	(1,509)	(1,458)
Other operating expenses	25.3	(1,079)	(1,039)
Depreciation, amortization and impairement of property, plant and equipment and intangible assets	-	**(92)**	**(61)**
Gross operating income	-	**2,135**	**1,386**
Cost of risk	26	(892)	(352)
Net operating income	-	**1,243**	**1,034**
Net gain/(loss) on fixed assets	27	(10)	728
Pre-tax income on ordinary activities	-	**1,233**	**1,762**
Net extraordinary items	-	-	-
Income tax charge	28	(78)	(433)
Net allocation to FGBR and regulated provisions	-	-	-
Net income for the financial year	-	**1,155**	**1,329**

1.5. MAJOR MATERIAL EVENTS DURING THE PERIOD

1.5.1 Covid-19 health crisis

The Crédit Agricole Group took proactive measures in response to the Covid-19 crisis and its economic consequences. In a bid to support its clients whose businesses had been impacted by the crisis, the Group actively contributed to the economic stimulus measures implemented by the government and marketplace authorities.

A - GOVERNMENT-BACKED LOANS

In response to the health and economic 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 massive unprecedented government-backed loan programme, in addition to the measures already announced (deferred loan payments, streamlined credit application process, etc.). Corporates can apply for government-backed loans until 30 June 2021.

They have a term of 12 months and offer the buyer the option of amortising the loan over an additional period of 1 to 5 years.

Over this additional period, the loan may be granted an additional amortisation period of one-year in which only interest and the cost of the government guarantee will be paid.

The total term of the loan may not exceed 6 years.

The Group offer for Year 1 is an interest-free loan; only the cost of the guarantee is reinvoiced (via a commission paid by the client) in accordance with the terms of eligibility set out by the State to receive the guarantee.

The amount of the loan may cover up to 3 months of revenue, providing entrepreneurs with access to the cash flow needed to ride out the crisis.

Government-backed loans meet the definition of the "Collect" business model and pass the SPPI test. Accordingly, they are recorded at amortised cost.

At 31 December 2020, 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 €2.5 billion, including a drawdown of €2.3 billion The guarantee provided by the French State on the loans totalled €2.1 billion.

B - DEFERRED PAYMENTS ON LOANS GRANTED TO CLIENTS

As from March 2020, the Group joined the marketplace initiative launched by French banks, coordinated by the FBF (French Banking Federation), offering up to 6 months of deferred loan payments to Corporate and Professional clients at no additional cost.

Implementing payment deferrals without penalties or additional costs, and maintaining the contractual interest rate over a maximum period of 6 months, means that only interim interest is charged after the deferral over the remaining term of the loan and excluding the cost of any guarantee provided by Banque Publique d'Investissement.

In accordance with the Group offer, payment deferrals call for:

- either an extension of the loan term, if the client wants to maintain the initial repayment schedule;
- or an increase in the amount of repayments after the deferral if the client wants to maintain the initial loan term.

As a result of the payment deferral, the initial repayments receivable by Crédit Agricole CIB are delayed.

At 31 December 2020, outstanding loans to clients taking part in the deferral of non-contractual repayments amounted to €196 million in France.

1.5.2 Full disposal of CACIB's residual interest in BSF

On 28 September 2020, Crédit Agricole Corporate & Investment Bank (Crédit Agricole CIB) announced the disposal of its 4% residual interest in Banque Saudi Fransi (BSF). The buyers were two institutional investors belonging to the Saudi public sector. They purchased Crédit Agricole CIB's residual interest in BSF at a price of SAR 30.00 per share, for a total of SAR 1.45 billion, i.e. around €332 million.

As the BSF shares had been recorded in Crédit Agricole CIB's balance sheet as financial assets at fair value through other comprehensive income up to that point, the deal had no impact on the income statement.

At 31 December 2020 Crédit Agricole CIB no longer held any equity interest in Banque Saudi Fransi (BSF).

1.5.3 Crédit Agricole CIB (Miami) and CA Indosuez Wealth (Brazil) S.A. DTVM

Crédit Agricole CIB (Miami) is a branch of Crédit Agricole CIB (CACIB).

CA Indosuez Wealth (Brazil) S.A. DTVM is a wholly-owned subsidiary of the Crédit Agricole CIB Group.

In 2020, the General Management of Crédit Agricole CIB began the process of selling CA Indosuez Wealth (Brazil) S.A. DTVM and the associated goodwill to the clients of the Crédit Agricole CIB (Miami) branch.

A potential buyer was actively sought, resulting in multiple binding offers in Q4 2020 that lead to negotiations of contractual documentations.

Accordingly, pursuant to IFRS 5, the assets and liabilities of Crédit Agricole CIB (Miami) and CA Indosuez Wealth (Brazil) were reclassified at 31 December 2020 in the balance sheet as "Non-current assets held for sale and discontinued In operations" for €523 million and as "Liabilities associated with non-current assets held for sale and discontinued operations" for €450.8 million.

The impact on the income statement, amounting to -€25 million, was booked to "Net income from discontinued operations".

1.5.4 Debt securities clearing

In application of the ANC Regulation No. 2020-10, liabilities representing borrowed securities are presented since 31 December 2020 in deduction of identical securities recognized by the entity between trading account assets.

In compliance with the French accounting principles, data as at 31 December 2019 remain presented on assets, liabilities and on the notes to the annual financial statements under the applicable accounting methods and principles at this date.

The table below presents the effects of this new Ruglation if applied on 31 December 2019.

▶ Debt securities and centralized savings clearing

	31.12.2020			31.12.2019		
	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
En milliers d'euros	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)
Treasury Bills and similar securities	**16,978**	**16,978**	**-**	**9,388**	**9,397**	**(9)**
O/W lent securities	-	3,583	-	-	4,861	-
Bonds and other fixed securities	**4,805**	**4,805**	**-**	**2,591**	**2,619**	**(28)**
O/W lent securities	-	230	-	-	-	-
Equities and other variable-income securities	**5,072**	**5,072**	**-**	**2,815**	**2,815**	**-**
O/W lent securities	-	662	-	-	178	-

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.

The presentation of the financial statements of Crédit Agricole CIB complies with the provisions of ANC Regulation 2014-07, which, for periods beginning on or after 1 January 2015, combines in a single regulation all accounting standards applicable to credit institutions, pursuant to established law.

Changes in the accounting method and presentation of the financial statements compared to the previous year relate to the following points:

Regulations	Date of first-time application: transactions completed or financial years beginning from
Regulation No. 2020-10 amending ANC Regulation No. 2014-07 on the clearing of securities borrowing transactions [1]	1 January 2020

[1] Securities borrowing transactions: the liabilities representing the value of borrowed securities are presented less the value of the same securities recognised by the institution as trading securities. This represents the amount of securities borrowed and securities received under a financial guarantee arrangement with the right of reuse (see Note 33.1 Securities borrowing);
The regulation No. 2020-10 of 22 December 2020 amends the regulation No. 2014-07 of 26 November 2014 regarding banks' financial statements on the presentation of securities borrowing and securities lending : liabilities representing borrowed securities are presented in deduction of identical securities recognized by the entity between trading account assets. It corresponds to the amount of borrowed securities and lending securities under a financial guarantee agreement with the right of reuse. The impact of this new regulation is presented in §1.5.4 - Debt securities clearing.

1.1 Loans and financing commitments

Loans and receivables granted to credit institutions, Crédit Agricole Group entites and clients are covered by ANC Regulation No. 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 nominal value.

Pursuant to Article 2131-1 of 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 presenting a credit risk according with 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.

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 commitments.

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 asset'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 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, 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 Crédit Agricole CIB 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 with some 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 Crédit Agricole CIB 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, 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), 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 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.

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 Article 2231-3 of the regulation ANC 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

Decisions as to when to write off a loan are taken on the basis of expert judgement. Crédit Agricole CIB makes this decision with the Risk Department, based on its knowledge of the borrower's 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 recognition rules for securities transactions are defined by Articles 2311-1 to 2391-1 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") and Articles 2211-1 to 2251-13 (Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions") of ANC Regulation 2014-07 for the determination of credit risk and the impairment of fixed income securities.

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 are offset against the liabilities representing the borrowed securities recorded on the liabilities side of the balance sheet.

Except as provided in Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of 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 Article 2514-1 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 2.1 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 arises from a risk relating specifically to the issuer of the security, impairment is recorded under "Cost of risk", in accordance with Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions" of ANC Regulation 2014-07.

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 Article 2341-2 of ANC Regulation 2014-07.

MEDIUM TERM PORTFOLIO SECURITIES

In accordance with Articles 2351-2 to 2352-6 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of 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 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.

RECLASSIFICATION OF SECURITIES

In accordance with Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07, the following securities reclassifications are allowed:

- 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 2020 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 of 5 June 2014 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.

ANC Regulation 2015-06 changes the way in which technical merger losses are recognised on the balance sheet and monitored in the financial statements. Losses are no longer required to be comprehensively and systematically recognised under "Goodwill"; they must be recognised in the balance sheet depending on asset items to which they are allocated as "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.

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.

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 of 5 June 2014 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 Fund for general banking risks (FGBR)

The Fourth European Directive and CRBF Regulation 90-02 of 23 February 1990 as amended relating to capital requirements stipulate that a fund for general banking risks may be set up by at the discretion of management, to meet any expenses or risks that may arise relating to banking operations. Such provisions are released to cover any incidence or extinction of these risks during a given period.

Crédit Agricole CIB has not set up such a fund.

1.8 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 Part 5 "Financial Futures" of Book II "Special Transactions" 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 Article 2525-3 of 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.

1.9 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 Part 7 "Recognition of Foreign Currency Transactions" of Book II "Special Transactions" 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 €538 million on 31 December 2020 compared with €1.93 billion on 31 December 2019.

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.

1.10 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”.

1.11 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.

These items are detailed in Notes 28 and 29.

1.12 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”.

1.13 Post-employment benefits

COMMITMENTS CONCERNING RETIREMENT, EARLY RETIREMENT AND RETIREMENT BENEFITS – DEFINED BENEFIT PLANS

Since 1 January 2013, Crédit Agricole CIB has applied ANC recommendation 2013-02 of 7 November 2013 relating to the measurement and recognition of retirement and similar benefit obligations, such recommendation having then been repealed and incorporated in section 4 of chapter II of part III of ANC Regulation 2014-03 of 5 June 2014.

In 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 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.

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”.

1.14 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.

1.15 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.

1.16 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 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

	31.12.2020							31.12.2019
€ million	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Loans and receivables:	-	-	-	-	-	-	-	-
- Demand	3,032	-	-	-	3,032	2	3,034	2,168
- Time	17,382	3,305	3,169	3,617	27,473	165	27,638	15,171
Pledged securities	-	-	-	-	-	-	-	-
Securities bought under repurchases agreements	43,937	6,810	2,592	-	53,339	43	53,382	44,238
Subordinated debt	-	-	66	240	306	-	306	332
Total	**64,351**	**10,115**	**5,827**	**3,857**	**84,150**	**210**	**84,360**	**61,909**
Impairment	-	-	-	-	(290)	(64)	(354)	(383)
Net carrying amount [1]	-	-	-	-	**83,860**	**146**	**84,006**	**61,526**

[1] *Among related parties, the main counterparty is Crédit Agricole S.A. (€15,369 million at 31.12.2020 and €5,385 million at 31.12.2019).*

NOTE 3 : LOANS AND RECEIVABLES DUE FROM CUSTOMERS

3.1 Analysis by residual maturity

	31.12.2020							31.12.2019
€ million	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Trade receivables	6,152	5,315	10,025	1,912	23,404	72	23,476	24,140
Other customer loans [1]	19,060	14,565	44,242	13,442	91,309	386	91,695	90,260
Pledged securities	-	-	-	-	-	-	-	-
Securities bought under repurchases agreements	61,348	12,184	1,904	170	75,606	29	75,635	64,812
Current accounts in debit	398	-	-	-	398	2	400	971
Impairment	-	-	-	-	(1,527)	(220)	(1,747)	(1,795)
Net carrying amount [1]	**-**	**-**	**-**	**-**	**189,190**	**269**	**189,459**	**178,388**

[1] *Subordinated loans granted to customers amounted to €350 million at 31.12.2020 compared to €624 million at 31.12.2019.*

3.2 Analysis by geographic area

€ million	31.12.2020	31.12.2019
France (including overseas departements and territories)	36,693	32,943
Other EU countries	42,121	40,792
Rest of Europe	5,945	6,126
North America	33,881	26,196
Central and South America	16,624	21,429
Africa and Middle-East	10,610	10,360
Asia and Pacific (excl. Japan)	18,484	19,022
Japan	26,359	22,725
Supranational organisations	-	-
Total principal	**190,717**	**179,593**
Accrued interest	489	590
Impairment	(1,747)	(1,795)
Net carrying amount	**189,459**	**178,388**

3.3 Doubtful loans, bad debts and impairment by geographic are

	31.12.2020					
€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts	Coverage %
France (including overseas departements and territories)	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%**

	31.12.2019					
€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts	Coverage %
France (including overseas departements and territories)	32,943	311	149	(127)	(146)	59.35%
Other EU countries	40,792	694	140	(375)	(114)	58.63%
Rest of Europe	6,126	126	7	(38)	(7)	33.79%
North America	26,196	344	-	(168)	-	48.98%
Central and South America	21,429	209	302	(119)	(219)	66.14%
Africa and Middle-East	10,360	187	182	(25)	(167)	52.03%
Asia and Pacific (excl. Japan)	19,022	224	1	(38)	(1)	17.33%
Japan	22,725	-	-	-	-	-
Supranational organisations	-	-	-	-	-	-
Accrued interest	590	127	124	(127)	(124)	100.00%
Net carrying amount	**180,183**	**2,222**	**905**	**(1,017)**	**(778)**	**57.40%**

3.4 Analysis by customer type

	31.12.2020				
€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts
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)**

	31.12.2019				
€ million	Gross outstandings	O/W doubtful loans and receivables	O/W bad debts	Impairment of doubtful loans and receivables	Impairments of bad debts
Individual customers	444	-	-	-	-
Farmers	-	-	-	-	-
Other small businesses	-	-	-	-	-
Financial institutions	59,011	372	229	(206)	(194)
Corporates	109,722	1,687	496	(683)	(448)
Local authorities	9,648	36	56	(1)	(14)
Other customers	768	-	-	-	-
Accrued interest	590	127	124	(127)	(124)
Carrying amount	**180,183**	**2,222**	**905**	**(1,017)**	**(778)**

NOTE 4 : TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND MEDIUM-TERM PORTFOLIO SECURITIES

	31.12.2020					31.12.2019
€ million	Trading securities	Short-term investment securities	Medium-term portfolio securities	Long-term investment securities	Total	Total
Treasury Bills and similar securities	**12,957**	**2,316**	**-**	**6,190**	**21,463**	**31,261**
O/W residual net premium	-	(8)	-	(4)	(12)	(9)
O/W residual net discount	-	53	-	46	99	123
Accrued interest	-	14	-	12	26	40
Impairment	-	-	-	-	-	(1)
Net carrying amount	**12,957**	**2,330**	**-**	**6,202**	**21,489**	**31,300**
Bonds and other fixed income securities [1]	**7,772**	**7,978**	**-**	**12,762**	**28,512**	**28,695**
Issued by public bodies	1,556	2,527	-	4,102	8,185	6 669
Other issuers	6,216	5,451	-	8,660	20,327	22,026
O/W residual net premium	-	(39)	-	(15)	(54)	(58)
O/W residual net discount	-	33	-	66	99	114
Accrued interest	-	46	-	47	93	101
Impairment	-	(4)	-		(4)	(112)
Net carrying amount	**7,772**	**8,020**	**-**	**12,809**	**28,601**	**28,684**
Equities and other equity variable-income securities	**5,654**	**174**	**11**	**-**	**5,839**	**10,250**
Accrued interest	-	-	-	-	-	-
Impairment	-	(37)	(4)	-	(41)	(41)
Net carrying amount	**5,654**	**137**	**7**	**-**	**5,798**	**10,209**
Total	**26,383**	**10,487**	**7**	**19,011**	**55,888**	**70,193**
Estimated value	**26,383**	**10,406**	**14**	**19,284**	**56,087**	**71,106**

[1] Subordinated loans in the portfolio amount to €40 million at December 31,2020 compared €30 million at december 31, 2019.

In application of the ANC Regulation No. 2020-10, liabilities representing borrowed securities are presented since 31 December 2020 in deduction of identical securities recognized by the entity between trading account assets (including, if need be, borrowed securities that have been lent and classified as “trading securities on loan”). The amounts as at 31/12/2019 are presented on § 1.5.4 Debt securities clearing.

4.1 Reclassification

Crédit Agricole CIB carried out reclassifications of securities on 1 October 2008 as permitted by CRC Regulation 2008-17. There was no other reclassification of securities between 2009 and 2020. At 31.12.2020, the value on the balance sheet is zero.

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 31.12.2019		2020 Impact		Cumulative impact at 31.12.2020	
€ 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

	31.12.2020				31.12.2019			
€ 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	28,326	21,463	5,824	55,613	28,612	31,261	10,237	70,110
Unlisted securities	186	-	15	201	83	-	13	96
Accrued interest	93	26	-	119	101	40	-	141
Impairment	(4)	-	(41)	(45)	(112)	(1)	(41)	(154)
Net carrying amount	**28,601**	**21,489**	**5,798**	**55,888**	**28,684**	**31,300**	**10,209**	**70,193**

4.3 Treasury bills, bonds and other fixed-income securities - Analysis by residual maturity

	31.12.2020							31.12.2019
€ 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	3,694	4,681	13,016	7,121	28,512	93	28,605	28,796
Impairment	-	-	-	-	-	-	(4)	(112)
Net carrying amount	**3,694**	**4,681**	**13,016**	**7,121**	**28,512**	**93**	**28,601**	**28,684**
Treasury bills and similar items								
Gross amount	2,677	3,380	5,603	9,803	21,463	26	21,489	31,301
Impairment	-	-	-	-	-	-	-	(1)
Net carrying amount	**2,677**	**3,380**	**5,603**	**9,803**	**21,463**	**26**	**21,489**	**31,300**

4.4 Treasury bills, bonds and other fixed-income securities - Analysis by geographic area

€ million	31.12.2020	31.12.2019
France (including overseas departements and territories)	12,393	17,966
Other EU countries	20,119	17,808
Other european countries	754	1,621
North America	7,427	11,582
Central and South America	112	157
Africa and Middle-East	546	327
Asia and Pacific (excl. Japan)	5,936	5,361
Japan	2,650	3,247
Supranational organisations	38	1,887
Total principal	**49,975**	**59,956**
Accrued interest	119	141
Impairment	(4)	(113)
Net carrying amount	**50,090**	**59,984**

NOTE 5 : EQUITY INVESTMENTS AND SUBSIDIARIES

Company	Share capital	Share capital *In million of original currency units*	Premiums reserves and retained earnings before appropriation of earnings *In million of original currency units*	Percentage of share capital owned *In %*	Carrying amounts of securities owned *€ million*	Loans and receivables outstanding granted by the Company and not yet paid back *In million of original currency units*	Guarantees and other commitments given by the Company *In million of original currency units*	NBI or revenue (ex VAT) for the year ended (from audited financial statements of 2019) *In million of original currency units*	Net income for the year ended *In million of original currency units*	Dividends received by the Company during the financial year *€ 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 S.A.	BRL	1,453	191	82	434	-	USD 24	506	87	2
CACIB Algérie s.p.a	DZD	10,000	261	100	97	-	-	800	297	2
CA GLOBAL PARTNERS Inc	USD	723	223	100	536	-	-	45	45	-
CA PRIVATE BANKING	EUR	2,650	110	100	2,650	CHF 1 581 EUR 1	-	147	95	80
CACIB (China) Limited	CNY	4,799	561	100	555	USD 30 CNY 5,730	CNY 7,073 EUR 1 USD 3 XDF 180	374	95	12
CACIB Global Banking	EUR	145	124	100	238	-	-	3	2	-
CASA BV	JPY	12,287	14,345	100	214	JPY,1	-	9,255	2,162	-
MERISMA SAS	EUR	1,150	(48)	100	1,150	EUR,2	-	-	66	10
Subtotal (1)	**-**	**-**	**-**	**-**	**5,874**	**-**	**-**	**-**	**-**	**-**
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)					**355**	**-**	**-**	**-**	**-**	**-**
a) French subsidiaries (aggregate)					163	-	-	-	-	-
b) Foreign subsidiaries (aggregate)					192	-	-	-	-	-
B - Affiliates not covered in I. above (4)					**254**	**-**	**-**	**-**	**-**	**-**
a) French affiliates (aggregate)					57	-	-	-	-	-
b) Foreign affiliates (aggregate)					197	-	-	-	-	-
Total associates (1) + (2) + (3) + (4)					**6,483**	**-**	**-**	**-**	**-**	**-**

5.1 Estimated value of equity investments

€ million	31.12.2020 Net carrying amount	31.12.2020 Estimated value	31.12.2019 Net carrying amount	31.12.2019 Estimated value
Investments in subsidiaries and affiliates				
Unlisted securities	7,145	8,694	7,605	8,410
Listed securities	-	-	-	-
Advances available for consolidation	-	-	-	-
Accrued interest	3	-	6	-
Impairment	(907)	-	(1,486)	-
Net carrying amount	6,241	8,694	6,125	8,410
Equity investments and other long-term investment securities				
Equity investments	-	-	-	-
Unlisted securities	304	179	300	161
Listed securities	101	240	105	649
Advances available for consolidation	-	-	-	-
Accrued interest	-	-	8	-
Impairment	(171)	-	(171)	-
Sub-total of equity investments	**234**	**419**	**242**	**810**
Other long term equity investments	-	-	-	-
Unlisted securities	9	10	12	11
Listed securities	-	-	-	-
Advances available for consolidation	-	-	-	-
Accrued interest	-	-	-	-
Impairment	(1)	-	(3)	-
Sub-total of long term equity investments	**8**	**10**	**9**	**11**
Overseas branch allocations	-	-	-	-
Net carrying amount	**242**	**429**	**251**	**821**
Total of equity investments	**6,483**	**9,123**	**6,376**	**9,231**

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	31.12.2020 Net carrying amount	31.12.2019 Net carrying amount
Total gross value		
Unlisted securities	7,458	7,917
Listed securities	101	105
Total	**7,559**	**8,022**

NOTE 6 : MOVEMENTS IN FIXED ASSETS

€ million	31.12.2019	Change in scope	Merger	Increase (acquisitions)	Decrease (disposals, maturity)	Translation difference	Other movements	31.12.2020
Equity investments								
Gross amount	405	-	-	6	-	(6)	-	405
Impairment	(171)	-	-	(1)	1		-	(171)
Other long-term equity investment								
Gross amount	12	-	-	-	(3)		-	9
Impairment	(3)	-	-	-	3	(1)	-	(1)
Overseas branch allocations		-	-	-	-	-	-	-
Subtotal	**243**	**-**	**-**	**5**	**1**	**(7)**	**-**	**242**
Investments in subsidiaries and affiliates								
Gross amount	7,605	-	-	147	(599)	(8)	-	7,145
Impairment	(1,486)	-	-	(39)	616	2	-	(907)
Advances available for consolidation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Accrued interest	**14**	**-**	**-**	**4**	**(15)**	**-**	**-**	**3**
Net carrying amount	**6,376**	**-**	**-**	**117**	**3**	**(13)**	**-**	**6,483**
Intangible assets	**224**	**-**	**-**	**76**	**(79)**	**(3)**	**3**	**221**
Gross amount	457	-	-	172	(81)	(7)	3	544
Depreciation	(233)	-	-	(96)	2	4	-	(323)
Property, plant and equipment	**90**	**-**	**-**		**(1)**	**(6)**	**(3)**	**80**
Gross amount	458	-	-	18	(2)	(25)	(3)	446
Depreciation	(368)	-	-	(18)	1	19	-	(366)
Financial lease and similar operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Net carrying amount	**314**			**76**	**(80)**	**(9)**	**-**	**301**

NOTE 7 : ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

€ million	31.12.2020	31.12.2019
Other asset [1]	**53,956**	**49,159**
Financial options bought	23,127	20,942
Collective management of Livret de Développement Durable (LDD) saving account securities	-	-
Miscellaneous debtors[2]	30,711	27,563
Settlement accounts	118	654
Due from shareholders - Unpaid capital	-	-
Accruals and prepayments	**126,963**	**104,374**
Items in course of transmission		
Adjustement accounts	126,451	103,555
Accrued income	383	550
Prepaid expenses	86	65
Unrealised losses and deferred losses on financial instruments	-	-
Bond issue and redemption premiums	-	5
Other accrual prepayments and sundry assets	43	199
Net carrying amount	**180,919**	**153,533**

[1] The amounts shown are net of impairment and include accrued interest.
[2] Including €170million 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	31.12.2019	Change in scope	Merger	Depreciation charges	Reversals and utilisations	Translation differences	Other movements	31.12.2020
Cash, money-market and interbank items	383	-	-	1	(4)	(26)	-	354
Loans and receivables due from customers	1,795	-	-	756	(704)	(96)	(4)	1,747
Securities transactions	154	-	-	39	(144)	(4)	-	45
Participating interests and other long-term investments	1,660	-	-	40	(620)	(1)	-	1,079
Other	163	-	-	41	(1)	(14)	-	189
Total	**4,155**	**-**	**-**	**877**	**(1,473)**	**(141)**	**(4)**	**3,414**

NOTE 9 : DUE TO CREDIT INSTITUTIONS - ANALYSIS BY RESIDUAL MATURITY

	31.12.2020							31.12.2019
€ million	≤ 3months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Accounts and overdrafts	-	-	-	-	-	-	-	-
Demand	4,902	-	-	-	4,902	-	4,902	6,456
Time	26,991	3,747	25,062	9,646	65,446	64	65,510	47,572
Pledged securities	-	-	-	-	-	-	-	-
Securities sold under repurchase agreements	10,318	3,278	730	-	14,326	18	14,344	19,154
Carrying amount [1]	**-**	**-**	**-**	**-**	**-**	**-**	**84,756**	**73,182**

[1] Of which transactions carried out with Crédit Agricole S.A.: €43,795 million at 31.12.2020 compared to €17,580 million at 31.12.2019.

NOTE 10 : DUE TO CUSTOMERS

10.1 Analysis by residual maturity

€ million	31.12.2020							31.12.2019
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Current accounts in credit	53,962				53,962	6	53,968	34,172
Other accounts due to customers	65,291	5,712	3,531	2,892	77,426	44	77,470	80,269
Securities sold under repurchase agreements	73,785	1,970	99	3	75,857	26	75,883	62,081
Carrying amount	-	-	-	-	-	-	**207,321**	**176,522**

10.2 Analysis by geographic area

€ million	31.12.2020	31.12.2019
France (including overseas departements and territories)	41,577	36,668
Other EU countries	46,580	39,047
Rest of Europe	4,676	2,635
North America	66,026	52,084
Central and South America	18,492	13,934
Africa and Middle-East	2,877	6,628
Asia and Pacific (excl. Japan)	9,418	8,174
Japan	17,599	17,134
Supranational organisations	-	4
Total principal	**207,245**	**176,308**
Accrued interest	76	214
Carrying amount	**207,321**	**176,522**

10.3 Analysis by customer type

€ million	31.12.2020	31.12.2019
Individuals customers	432	350
Farmers	-	-
Other small businesses	-	-
Financial institutions	100,492	83,017
Corporates	99,654	71,052
Local authorities	6,667	18,796
Other customers	-	3,093
Total principal	**207,245**	**176,308**
Accrued interest	76	214
Carrying amount	**207,321**	**176,522**

NOTE 11 : DEBT SECURITIES

11.1 Analysis by residual maturity

€ million	31.12.2020							31.12.2019
	≤ 3months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
Interest-bearing notes	232	-	-	-	232		232	201
Money-market instruments	-	-	-	-	-	-	-	-
Negotiable debt securities:	7,311	8,657	4,013	6,867	26,848	75	26,923	43,562
Issued in France	181	1,586	3,967	6,867	12,601	63	12,664	17,301
Issued abroad	7,130	7,071	46		14,247	12	14,259	26,261
Bonds	-	-	3,051	1,050	4,101	2	4,103	4,076
Other debt instruments	-	-	-	-	-	-	-	-
Carrying amount	**-**	**-**	**-**	**-**	**31,181**	**77**	**31,258**	**47,839**

11.2 Bonds

€ million	Outstanding schedule at 31.12.2020			Outstanding at 31.12.2020	Outstanding at 31.12.2019
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Euro	**-**	**2,370**	**1,050**	**3,420**	**3,420**
Fixed rate	-	-	-	-	-
Variable rate	-	2,370	1,050	3,420	3,420
Other currencies	**-**	**681**	**-**	**681**	**653**
Fixed rate	-	87	-	87	-
Variable rate	-	594	-	594	653
Total principal	**-**	**3,051**	**1,050**	**4,101**	**4,073**
Fixed rate	-	87	-	87	-
Variable rate	-	2,964	1,050	4,014	4,073
Related payables	-	2	-	2	3
Carrying amount	**-**	**-**	**-**	**4,103**	**4,076**

NOTE 12 : ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIE

€ million	31.12.2020	31.12.2019
Other liabilities [1]	**88,046**	**89,835**
Counterparty transactions (trading securities)	36,568	33,317
Liabilities relating to stock lending transactions	2	14,821
Optional instruments sold	24,330	21,052
Miscellaneous creditors	26,730	20,444
Settlement accounts	416	201
Payments in process	-	-
Other	-	-
Accruals and deferred income	**126,261**	**108,726**
Items in course of transmission	152	729
Adjustment accounts	123,635	105,324
Unearned income	349	412
Accrued expenses	1,951	2,164
Unrealised gains and deferred gains on financial instrument	-	-
Other accruals prepayments and sundry assets	174	97
Carrying amount	**214,307**	**198,561**

[1] *Amounts include accrued interests.*

In application of the ANC Regulation No. 2020-10, liabilities representing borrowed securities are presented since 31 December 2020 in deduction of identical securities recognized by the entity between trading account assets (including, if need be, borrowed securities that have been lent and classified as "trading securities on loan"). The amounts as at 31/12/2019 are presented on § 1.5.4 Debt securities clearing.

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NOTE 13 : PROVISIONS

€ million	31.12.2019	Change in scope	Merger	Deprecia-tion charges	Reversals and utilisations	Translation differences	Other movements	31.12.2020
Country risks	255	-	-	212		(15)	-	452
Financing commitment execution risks	379	-	-	355	(381)	(28)	-	325
Employee retirement and similar benefits	212	-	-	40	(13)	(4)	-	235
Financial instruments	1	-	-	-	(1)	-	-	
Litigations and others [1]	843	-	-	49	(182)	(7)	3	706
Other provisions [2]	1,577	-	-	927	(629)	(20)	(3)	1,852
Carrying amount	**3,267**	**-**	**-**	**1,583**	**(1,206)**	**(74)**		**3,570**

[1] Of which:
- tax disputes : €374 million
- customer litigation : €324 million
- social litigation : €7 million

[2] Including, for Crédit Agricole CIB Paris:
- other risks and expenses: €1,412 million

13.1 TAX AUDITS

CRÉDIT AGRICOLE CIB PARIS TAX AUDIT

After an audit of the financial statements for financial years 2013, 2014 and 2015, adjustments were carried out on Crédit Agricole CIB as part of a proposed adjustment received at the end of December 2018. Crédit Agricole CIB is challenging the proposed adjustments. A provision was recognised to cover the estimated risk.

CRÉDIT AGRICOLE CIB MILAN AND LONDON TAX AUDIT REGARDING TRANSFER PRICING

Following tax audits, Crédit Agricole CIB Milan received proposals for adjustments for financial years 2005 to 2014 from the Italian tax authorities in the area of transfer prices. Crédit Agricole CIB challenged the proposed adjustments. At the same time, the case was referred to the competent French-Italian authorities for all relevant years. 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 European Court of Justice 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 181.012 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.

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.

BANQUE SAUDI FRANSI

Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB) had received in 2018 a request for arbitration submitted by Banque Saudi Fransi (BSF) before the International Chamber of Commerce (ICC). The dispute related to the performance of a technical services agreement between BSF and Crédit Agricole CIB that is no longer in force. BSF had quantified its claim at SAR 1,023,523,357, the equivalent of about € 242 million. Crédit Agricole CIB and BSF have entered into an agreement effectively ending the ICC arbitration proceedings. This agreement has no significant impact on Crédit Agricole CIB's Financial Statements.

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.

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 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 have taken an appeal from both of the Court's orders.

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.

It is not possible at this stage to predict the outcome of these investigations, proceedings or class actions or the date on which they will end.

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. The court has not yet decided the motion.

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 court and 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, 2020, Defendants filed a brief in opposition to DYJ Holdings' motion and also filed a motion to dismiss the appeal."

BINDING AGREEMENTS

Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) does not depend on any industrial, commercial or financial patent, license or contract.

NOTE 14 : SUBORDINATED DEBT - ANALYSIS BY RESIDUAL MATURITY (IN CURRENCY OF ISSUE)

	31.12.2020					31.12.2019
€ million	≤ 3months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total	Total
Fixed-term subordinated debt	**-**	**-**	**-**	**3,225**	**3,225**	**3,269**
Euro	-	-	-	2,412	2,412	1,750
Other EU currencies	-	-	-	-	-	-
US Dollar	-	-	-	813	813	1,519
Yen	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-
Undated subordinated debt	**-**	**-**	**-**	**5,643**	**5,643**	**5,787**
Euro	-	-	-	3,631	3,631	3,130
Other EU currencies	-	-	-	-	-	-
US Dollar	-	-	-	2,012	2,012	2,657
Yen	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-
Participating securities and loans	**-**	**-**	**-**	**-**	**-**	**-**
Total principal	**-**	**-**	**-**	**8,868**	**8,868**	**9,056**
Accrued interest	-	-	-	-	60	95
Carrying amount	**-**	**-**	**-**	**-**	**8,928**	**9,151**

Expenses relating to subordinated debt amounted to €-426 million at 31.12.2020, compared to €-443 million at 31.12.2019.

NOTE 15 : CHANGES IN EQUITY (BEFORE APPROPRIATION)

	Capitaux propres							
€ 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 2018	**7,852**	**768**	**-**	**1,593**	**2,447**	**-**	**1,272**	**13,932**
Dividends paid in respect of 2019	-	-	-	-	(489)	-	-	(489)
Increase/decrease	-	-	-	-	-	-	-	-
2019 net income	-	-	-	-	-	-	1,329	1,329
Appropriation of 2018 parent company net income	-	17	-	-	1,255	-	(1,272)	-
Net charges/write-backs	-	-	-	-	-	-	-	-
Other changes								
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	-	-	-	-	-	-	1,155	1,155
2020 net income	-	-	-	-	-	-	(1,329)	(1,329)
Appropriation of 2019 parent company net income	-	-	-	-	1,329	-	-	1,329
Net charges/write-backs	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Balance at 31 decembre2020	**7,852**	**785**	**-**	**1,593**	**4,031**	**-**	**1,155**	**15,416**

At 31 December 2020, 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 CACIB during the liquidation of its Luxembourg branch in 2019.

NOTE 16 : ANALYSIS OF THE BALANCE SHEET BY CURRENCY

	31.12.2020		31.12.2019	
€ million	Assets	Liabilities	Assets	Liabilities
Euro	270,229	279,929	241,654	254,443
Other EU currencies	27,854	37,080	21,316	28,573
US Dollar	183,015	173,280	175,598	165,787
Yen	49,234	34,384	53,598	43,735
Other currencies	36,039	41,698	32,916	32,544
Total	**566,371**	**566,371**	**525,082**	**525,082**

NOTE 17 : TRANSACTIONS WITH SUBSIDIARIES, AFFILIATES AND EQUITY INVESTMENTS

€ million	31.12.2020	31.12.2019
Loans and receivables	**59,717**	**39,287**
Credit and other financial institions	26,767	13,587
Customers	28,272	20,912
Bonds and other fixed income securities	4,678	4,788
Debt	**83,241**	**56,487**
Credit and financial institutions	54,217	27,324
Customers	15,862	15,073
Debt securities and subordinated debts	13,162	14,090
Commitments given	**67,100**	**67,260**
Financing commitments given to credit institutions	591	700
Financing commitments given to customers	41,890	46,282
Guarantee given to credit and other financial institutions	7,528	8,729
Guarantees given to customers	3,051	3,397
Securities acquired with repurchase options	3,221	599
Other commitments given	10,819	7,553

NOTE 18 : NON-SETTLED FOREIGN EXCHANGE TRANSACTIONS AND AMOUNTS PAYABLE IN FOREIGN CURRENCIES

	31.12.2020		31.12.2019	
€ million	To be received	To be delivered	To be received	To be delivered
Spot foreign-exchange transactions	**114,268**	**114,470**	**137,887**	**137,855**
Foreign currencies	100,342	100,339	122,379	119,417
Euro	13,926	14,131	15,508	18,438
Forward currency transactions	**1,922,518**	**1,923,064**	**2,096,676**	**2,099,575**
Foreign currencies	1,511,747	1,549,721	1,650,811	1,682,860
Euro	410,771	373,343	445,865	416,715
Foreign currency denominated loans and borrowings	**1,307**	**1,466**	**271**	**290**
Total	**2,038,093**	**2,039,000**	**2,234,834**	**2,237,720**

NOTE 19 : TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

	31.12.2020			31.12.2019		
€ million	Hedging transactions	Other transactions	Total [2]	Hedging transactions	Other transactions	Total
Futures and forwards	**1,518**	**15,518,441**	**15,519,959**	**125,677**	**15,820,344**	**15,946,021**
Exchange-traded [1]	**-**	**136,618**	**136,618**	**-**	**199,032**	**199,032**
Interest-rate futures	-	130,940	130,940	-	187,331	187,331
Currency forwards	-	322	322	-	5,737	5,737
Equity and stock index instruments	-	5,335	5,335	-	5,136	5,136
Other futures	-	21	21	-	828	828
Over-the-counter [1]	**1,518**	**15,381,823**	**15,383,341**	**125,677**	**15,621,312**	**15,746,989**
Interest rate swaps	64	8,708,275	8,708,339	59,686	8,438,734	8,498,420
Fx swaps	1,454	4,060,743	4,062,197	65,867	4,409,440	4,475,307
FRA	-	2,541,767	2,541,767	-	2,697,181	2,697,181
Equity and stock index instruments	-	67,778	67,778	-	46,118	46,118
Other futures	-	3,260	3,260	124	29,839	29,963
Options	**-**	**1,786,547**	**1,786,547**	**-**	**1,998,129**	**1,998,129**
Exchange-traded	**-**	**123,766**	**123,766**	**-**	**229,153**	**229,153**
Exchange traded interest rate futures	-	-	-	-	-	-
Bought	-	82,404	82,404	-	181,574	181,574
Sold	-	18,000	18,000	-	27,953	27,953
Equity and stock index instruments	-	-	-	-	-	-
Bought	-	9,005	9,005	-	7,471	7,471
Sold	-	14,357	14,357	-	10,016	10,016
Currency futures	-	-	-	-	-	-
Bought	-	-	-	-	788	788
Sold	-	-	-	-	1,351	1,351
Other futures	-	-	-	-	-	-
Bought	-	-	-	-	-	-
Sold	-	-	-	-	-	-
Over-the counter	**-**	**1,662,781**	**1,662,781**	**-**	**1,768,976**	**1,768,976**
Interest rate swap options	-	-	-	-	-	-
Bought	-	340,285	340,285	-	396,417	396,417
Sold	-	382,691	382,691	-	441,933	441,933
Other interest rate forwards	-	-	-	-	-	-
Bought	-	254,639	254,639	-	246,124	246,124
Sold	-	259,049	259,049	-	263,171	263,171
Equity and stock index instruments	-	-	-	-	-	-
Bought	-	1,383	1,383	-	1,579	1,579
Sold	-	1,055	1,055	-	1,416	1,416
Currency futures	-	-	-	-	-	-
Bought	-	190,373	190,373	-	175,318	175,318
Sold	-	212,173	212,173	-	207,623	207,623
Other futures	-	-	-	-	-	-
Bought	-	256	256	-	372	372
Sold	-	310	310	-	560	560
Credit derivative	-	-	-	-	-	-
Bought	-	15,059	15,059	-	25,918	25,918
Sold	-	5,508	5,508	-	8,545	8,545
Total	**1,518**	**17,304,988**	**17,306,506**	**125,677**	**17,818,473**	**17,944,150**

[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 €919,159 million with Crédit Agricole S.A. at December 31,2020.*

19.1 Forward financial instruments - Fair value

€ million	31.12.2020			31.12.2019		
	Total fair value			Total fair value		
	Assets	Liabilities	Notional total	Assets	Liabilities	Notional total
Interest rate instruments	**100,506**	**100,328**	**12,718,114**	**98,682**	**99,935**	**12,940,105**
Futures	-	-	130,940	-	1	187,331
FRA	188	185	2,541,767	85	61	2,697,181
Interest rate swaps	81,654	79,111	8,708,339	81,162	81,044	8,498,420
Interest rate options	15,714	17,801	823,380	14,284	15,296	1,047,878
Caps, floors and collars	2,950	3,231	513,688	3,151	3,533	509,295
Foreign currency and Instruments	**14,461**	**11,816**	**875,762**	**12,309**	**11,784**	**888,209**
Currency futures	11,680	9,633	472,894	9,779	9,903	483,742
Currency options	2,628	2,030	402,546	2,417	1,754	385,080
Futures	153	153	322	113	127	19,387
Other instruments	**9,749**	**6,807**	**123,328**	**6,345**	**3,737**	**137,921**
Equity and index derivatives	8,116	4,793	98,913	6,101	3,022	99,584
Precious metal derivatives	93	80	3,843	43	31	3,856
Commodity derivatives	-	-	5	-	-	19
Credit derivatives	1,540	1,934	20,567	201	684	34,462
Sub-total	**124,716**	**118,951**	**13,717,204**	**117,336**	**115,456**	**13,966,235**
Currency futures trading book	16,800	17,139	3,589,302	18,138	18,465	3,977,915
Currency futures banking book	-	-	-	-	-	-
Sub-total	**16,800**	**17,139**	**3,589,302**	**18,138**	**18,465**	**3,977,915**
Total	**141,516**	**136,090**	**17,306,506**	**135,474**	**133,921**	**17,944,150**

19.2 Forward financial instruments - Notional outstanding's analysis by residual maturity

€ million	Over-the-counter			Exchange-traded			31.12.2020	31.12.2019
Notional amount outstanding	≤ 1 year	> 1 year ≤ 5 years	> 5 years	≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total	Total
Interest rate instruments	**4,571,576**	**4,560,279**	**3,354,915**	**173,314**	**58,030**	**-**	**12,718,114**	**12,940,105**
Futures	-	-	-	84,862	46,078	-	130,940	187,331
FRA	1,914,840	626,927	-	-	-	-	2,541,767	2,697,181
Interest rate swaps	2,537,774	3,393,230	2,777,335	-	-	-	8,708,339	8,498,420
Interest rate options	192	264,411	458,373	88,452	11,952	-	823,380	1,047,878
Caps, floors and collars	118,770	275,711	119,207		-	-	513,688	509,295
Foreign currency and gold	**634,778**	**203,458**	**37,204**	**322**	**-**	**-**	**875,762**	**888,209**
Currency futures	319,984	135,819	17,091	-	-	-	472,894	483,742
Currency options	314,794	67,639	20,113	-	-	-	402,546	385,080
Futures	-	-	-	322	-	-	322	19,387
Other instruments	**35,522**	**38,939**	**20,149**	**14,463**	**12,321**	**1,934**	**123,328**	**137,921**
Equity and index derivatives	27,574	24,522	18,120	14,442	12,321	1,934	98,913	99,584
Precious metal derivatives	3,800	27	-	16	-	-	3,843	3,856
Commodity derivatives	-	-	-	5	-	-	5	19
Credit derivatives	4,148	14,390	2,029	-	-	-	20,657	34,462
Sub-total	**5,241,876**	**4,802,676**	**3,412,268**	**188,099**	**70,351**	**1,934**	**13,717,203**	**13,966,235**
Currency futures trading book	2,279,387	811,320	468,595	-	-	-	3,589,302	3,977,915
Currency futures banking book	-	-	-	-	-	-	-	-
Sub-total	**2,279,387**	**811,320**	**498,595**	**-**	**-**	**-**	**3,589,302**	**3,977,915**
Total	**7,521,263**	**5,613,996**	**3,910,863**	**188,099**	**70,351**	**1,934**	**17,306,506**	**17,944,150**

19.3 Forward financial instruments - Counterparty risk

€ million	31.12.2020		31.12.2019	
	Market value	Potential credit risk	Market value	Potential credit risk
Risks regarding OECD governments, central banks and similar institutions	60,230	10,101	6,759	889
Risks regarding OECD financial institutions and similar	65,614	12,806	56,926	13,503
Risks on other counterparties	12,991	1,189	52,467	11,634
Total by counterparty type before netting agreements	**138,835**	**24,096**	**116,152**	**26,026**
Risks on:	-	-	-	-
Interest rates, exchange rates and comodities contracts	132,150	23,406	110,618	25,682
Equity and index derivatives	4,997	690	4,423	343
Impact of netting agreements	**98,886**	**2,521**	**86,241**	**4,056**
Total after impact of netting agreements	**39,949**	**21,575**	**29,911**	**21,970**

NOTE 20 : NET INTEREST AND SIMILAR INCOME

€ million	31.12.2020	31.12.2019
Interbank transactions	1,271	3,015
Customer transactions	3,990	4,834
Bonds and other fixed-income securities (see Note 21)	446	587
Debt securities	406	236
Other interest and similar income	39	23
Interest and similar income [1]	**6,152**	**8,695**
Interbank transactions	(1,792)	(3,301)
Customer transactions	(1,041)	(3,221)
Bonds and other fixed-income securities	(86)	(127)
Debt securities	(927)	(1,348)
Other interest and similar income	(41)	(59)
Interest and similar expense [2]	**(3,887)**	**(8,056)**
Net interest and similar income	**2,265**	**639**

[1] *Including income with Crédit Agricole S.A. at 31.12.2020 : €148 million.*
[2] *Including expenses with Crédit Agricole S.A. at 31.12.2020 : -€692 million.*

NOTE 21 : INCOME FROM SECURITIES

€ million	Fixed Income securities		Variable-income securities	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Investment in subsidiaries and affiliates, equity investments and other long-term equity investments	-	-	228	134
Short term investment securities and medium term portfolio securities	191	249	18	1
Long-term investment securities	255	338	-	-
Other securities transactions	-	-	-	-
Income from securities	**446**	**587**	**246**	**135**

NOTE 22 : NET COMMISSION AND FEE INCOME

	31.12.2020			31.12.2019		
€ million	Income	Expense	Net	Income	Expense	Net
Interbank transactions	72	(123)	(51)	41	(98)	(57)
Customer transactions	534	(41)	493	550	(49)	501
Securities transactions	34	(139)	(105)	18	(103)	(85)
Foreign exchange transactions	-	(28)	(28)	1	(33)	(32)
Forward financial instruments and other off-balance sheet transactions	250	(204)	46	157	(183)	(26)
Financial services (see Note 22.1)	118	(22)	96	109	(14)	95
Total net fee and commission income [1]	**1,008**	**(557)**	**451**	**876**	**(480)**	**396**

[1] *Including net commissions with Crédit Agricole S.A. at 31.12.2020 : €26 million.*

22.1 Banking and financial services

€ million	31.12.2020	31.12.2019
Net income from managing mutual funds and securities on behalf of customers	54	54
Net income from payment instruments	8	8
Other net financial services income (expense)	34	33
Financial services	**96**	**95**

NOTE 23 : GAINS (LOSSES) ON TRADING BOOKS

€ million	31.12.2020	31.12.2019
Gains (losses) on trading securities	(438)	2,037
Gains (losses) on forward financial instruments	1,955	(398)
Gains (losses) on foreign exchange and similar financial instruments	48	872
Net gains (losses) on trading book	**1,565**	**2,511**

NOTE 24 : GAINS (LOSSES) ON SHORT-TERM INVESTMENT PORTFOLIOS AND SIMILAR

€ million	31.12.2020	31.12.2019
Short term investment securities		
Impairment losses	(38)	(14)
Reversals of impairment losses	38	14
Net losses/reversals	**-**	**-**
Gains on disposals	278	-
Losses on disposals	-	-
Net gains (losses) on disposals	**278**	**-**
Net gain (losses) on short term investment securities	**278**	**-**
Medium term portfolio securities		
Impairment losses	-	-
Reversals of impairment losses	-	-
Net losses/reversals	-	-
Gains on disposals	-	-
Losses on disposals	(30)	-
Net gains (losses) on disposals	**(30)**	**-**
Net gain (losses) on medium term investment portfolio securities	**(30)**	**-**
Net gain (losses) on short term investment portfolios and similar	**248**	**-**

NOTE 25 : OPERATING EXPENSES

25.1 Employee expenses

€ million	31.12.2020	31.12.2019
Salaries	(1,075)	(1,050)
Social security expenses	(378)	(343)
Incentive plans	(30)	(31)
Employee profit-sharing	-	-
Payroll-related tax	(39)	(41)
Total employee expenses	**(1,522)**	**(1,465)**
Charge-backs and reclassification of employee expenses	13	7
Net expenses [1]	**(1,509)**	**(1,458)**

[1] *Including pension expenses at 31.12.2020 : € -77 million.*
Including pension expenses at 31.12.2019 : € -70 million.

25.2 Average number of headcount

In number	31.12.2020	31.12.2019
Managers	4,384	4,247
Non-managers	185	244
Managers and non-managers of foreign branches	2,986	2,919
Total	**7,555**	**7,410**
Of which	-	-
France	4,569	4,491
Foreign	2,986	2,919

25.3 Other administrative expenses

€ million	31.12.2020	31.12.2019
Taxes other than on income or payroll-related	(57)	(42)
External services	(1,145)	(1,100)
Other administrative expenses	(103)	(111)
Total administrative expenses	**(1,305)**	**(1,253)**
Charge-backs and reclassification of employee expenses	226	214
Total	**(1,079)**	**(1,039)**

NOTE 26 : COST OF RISK

€ million	31.12.2020	31.12.2019
Depreciation charges to provisions and impairment	**(1,869)**	**(1,409)**
Impairment on doubtful loans and receivables	(664)	(637)
Other depreciation and impairment losses	(1,205)	(772)
Reversal of provisions and impairment losses	**1,406**	**1,310**
Reverval of impairment losses on doubtful loans and receivables [1]	549	456
Other reversals of provisions and impairment losses [2]	857	854
Change in provisions and impairment	**(463)**	**(99)**
Losses on non-impaired bad debts	(41)	(39)
Losses on impaired bad debts	(587)	(251)
Recoveries on loans written off	199	37
Cost of risk	**(892)**	**(352)**

[1] *Including €564 million on bad debts and doubtful loans at 31.12.2020.*
[2] *Including €23 million used to provision risk on the liabilities at 31.12.2020.*

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NOTE 27 : NET GAIN (LOSSES) ON FIXED ASSETS

€ million	31.12.2020	31.12.2019
Financial investments		
Impairment losses	-	-
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(40)	(23)
Reversals of impairments losses	-	-
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments (1)	620	97
Net losses/reversals	**580**	**74**
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	580	74
Gains on disposals	-	-
Long-term investment securities	11	
Investments in subsidiaries and affiliates, equity investments and other long term equity investments (2)	-	654
Losses on disposals	-	-
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(601)	(7)
Losses on receivables from equity investments	-	-
Net gain (losses) on disposals	**(590)**	**647**
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long term equity investments	(590)	647
Net gain (losses)	**(10)**	**721**
Property, plant and equipment and intangible assets		
Disposal gains	-	8
Disposal losses	-	(1)
Net gain (losses)	**-**	**7**
Net gain (losses) on fixed assets	**(10)**	**728**

NOTE 28 : INCOME TAX CHARGE

€ million	31.12.2020	31.12.2019
Net gain (losses) on fixed assets [1]	(78)	(433)
Other tax	-	-
Total	**(78)**	**(433)**

[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 €69 million to Crédit Agricole S.A. was recognised at December 31,2020.
A net depreciation of tax provision of €23 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 31,2020.

NOTE 29 : OPERATIONS IN NON-COOPERATIVE STATES OR TERRITORIES

As at 31 December 2020, Crédit Agricole CIB has 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 2020

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

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 2020.

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 at 31 December 2020 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.

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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

EMPHASIS OF MATTER

Without qualifying our opinion expressed above, we draw your attention to the matter set out in paragraph 1.5.4 of the major material events during the period and note 1 - Accounting policies and principles to the financial statements, regarding the change in the method of accounting for transfers of Title Bank loans.

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JUSTIFICATION OF ASSESSMENTS– KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

RISK IN RELATION TO THE MEASUREMENT OF PROVISIONS FOR REGULATORY AND TAX DISPUTES

Description of risk

Crédit Agricole Corporate and Investment Bank is subject to judicial proceedings and a number of investigations and requests for regulatory information from different regulators. These concern in particular the Euribor/Libor and SSA Bonds matters with authorities from 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 recognise 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, particularly as part of certain structural transactions.

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 judicial or arbitration 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.

How our audit addressed this risk

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 the Crédit Agricole Corporate and Investment Bank's legal counsel and their responses to our requests for confirmation;
- as regards tax risks in particular, examining, with guidance from our experts, 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 2020.

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

Description of risk

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 recognised through impairment, shown as a deduction from assets. Crédit Agricole Corporate and Investment Bank also recognises 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 (€3,415 million) or as a liability (€452 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 (€325 million).

See Notes 3, 8, 13 and 26 to the financial statements.

How our audit addressed this risk

We examined the procedures implemented by the Risk Management department to categorise 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 health 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 non performing loans and the measurement of value adjustments. We also familiarised ourselves with the main findings of Crédit Agricole Corporate and Investment Bank specialised 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 the 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 recognised 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 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 financial statements.

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RISK IN RELATION TO THE MEASUREMENT OF COMPLEX DERIVATIVE INSTRUMENTS

Description of risk

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 companies, financial institutions and major issuers.

These derivative financial instruments are recognised in accordance with the provisions of Title 5 "Forward financial instruments" of Book II "Specific transactions" of Regulation ANC 2014 07 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 concerning:

- 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 on forward financial instrument transactions amounted to €1,955 million at 31 December 2020.

See Notes 19 and 23 to the financial statements.

How our audit addressed this risk

We gained an understanding of the processes and controls put in place by Crédit Agricole Corporate and Investment Bank to identify, measure and recognise 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 categorisation of financial products.

With the support of our experts in the valuation of financial instruments, we carried out independent valuations, analysed those performed by Crédit Agricole Corporate and Investment Bank and examined the assumptions, inputs, methodologies and models used at 31 December 2020.

We also assessed the main valuation adjustments recognised, as well as the justification provided by management for the main differences observed in margin calls and losses and/or gains in the event of the disposal of financial products.

SPECIFIC VERIFICATIONS

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

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 provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the following matter.

Concerning the fair presentation and the consistency with the financial statements of the disclosures provided in relation to the payment terms referred to in Article D.441-6 of the French Commercial Code, we have the following matter to report: as indicated in the management report, these disclosures do not include banking and related transactions as the Company considers that such disclosures are not within the scope of disclosures to be provided.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-10-10 and L.22-10-10 of the French Commercial Code.

OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

Presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the single European electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Crédit Agricole Corporate and Investment Bank by the General Meeting of Shareholders held on 30 April 2004 for PricewaterhouseCoopers Audit and on 20 May 1997 for Ernst & Young et Autres.

At 31 December 2020, PricewaterhouseCoopers Audit and Ernst & Young et Autres were in the seventeenth and the twenty-fourth consecutive year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of 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 expects 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, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE FINANCIAL STATEMENTS

Objective 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 of 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 taken by users on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute 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 defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, le 22 March 2021

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Anik Chaumartin	Laurent Tavernier	Olivier Durand	Matthieu Préchoux

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1. ARTICLES OF ASSOCIATION EFFECTIVE AT 31 DECEMBER 2020

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 États-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 herein below:

   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) herein above.

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, 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 exceptionally 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 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 this remuneration 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 2 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 sixty-seven, except where the Chairman also acts as Chief Executive Officer of the Company.

He shall benefit from the provisions of Article 10, paragraph 3.

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 oversight by responsible supervisory authorities, particularly the French Prudential and Resolution Supervisory Authority (ACPR). In its capacity as a credit institution authorised to provide investment services, the Company is subject to the French Monetary and Financial Code, particularly the provisions relating to the activity and control of credit institutions and investment service providers.

2.6 INVESTMENTS MADE BY CRÉDIT AGRICOLE CIB OVER THE PAST THREE YEARS

Completed acquisitions

Date	Investments	Financing
03/05/2018	Indosuez Wealth Management finalised the acquisition of 94.1% of the share of Banca Leonardo.	The acquisition was financed by own funds generated and retained during the year.

N.B.: we cannot disclose certain information about investment amounts without violating confidentiality agreements or revealing information to our rivals that could be detrimental to us.

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 continued its repack business in 2020, continuing its diversification of underlying and structure (the Repack consists of transforming the coupon of a bond, usually via an SPV, Special Purpose Vehicle).

Crédit Agricole CIB has innovated in this product range by offering Repacks of State bonds, with a buyout option by the SPV ('callable Repack'). This option increases the coupon level offered to investors, a solution particularly suited to Insurers who are looking for returns in this negative rate environment. Crédit Agricole CIB is one of the main players on this product on the underlying OAT (French government bond) via the SPV SPIRE (multi-dealer), with a significant market share.

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 2019, the date of its latest audited and published financial statements (see "Recent trends and outlook" section, pages 134 and 135).

2.10 SIGNIFICANT CHANGES

Post-closing events that are not supposed to impact accounts closed as of December 31, 2020.

Crédit Agricole CIB received information after the closing of the accounts from the Board of Directors of the 9 February 2021 regarding the tax treatment of transactions made abroad.

The evaluation of these uncertain tax positions will be revised in the first quarter of 2021. The positive impact on the effective 2021 tax rate of this update would, on the basis of 2020 and all other things being equal, be between 3 and 6 points.

2.11 PUBLICLY AVAILABLE DOCUMENTS

The present document is available on the website:
https://www.ca-cib.com/about-us/financial-information/activity-reports-universal-registration-documents
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/activity-reports-universal-registration-documents
> Regulated Information.

Articles of Association are available on pages 450 to 455 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

Annual General Meeting held to approve the financial statements for the year ended 31 December 2020

To the Annual General Meeting of Crédit Agricole Corporate and Investment Bank,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) of the continuation of the implementation, during the year ended 31 December 2020, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

Agreements authorized and entered into during the year ended 31 December 2020

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 year ended 31 December 2020 and which received prior authorization from your Board of Directors.

- **With Crédit Agricole S.A, shareholder holding more than 10% of voting rights; corporate officers in common: Mr Boyer, Mr Brassac, Mr Carite, Mr Gavalda, Mr Jeanneau, Mr Triquet, Ms Gri, Ms Pourre and Ms Renoult.**

AMENDMENT TO THE SHAREHOLDERS' AGREEMENT ON THE RULES OF GOVERNANCE OF CA-GIP

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 incorporation of the latter, organizing the parties' relationship 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 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 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 Chairmen 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.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: This concerns a structure that is solely an internal one within the Crédit Agricole Group, and the shareholders' agreement enables the shareholders of Crédit Agricole - Group Infrastructure Platform to determine:

- The specific rules that apply to them in the organisation of their relations within the Company (governance, decision-making, etc.), beyond the sole criterion of capital distribution;
- The manner in which CA-GIP is to be managed and financed;
- The conditions to be complied with in the event of the transfer of all or part of their stake in the capital of CA-GIP.

The shareholders' agreement also enables the creation of a group of shareholders from the Crédit Agricole S.A. Group, thus ensuring unity in decision-making at CA-GIP, whether by the Board of Directors or the Annual General Meeting.

This amendment to the shareholders' agreement makes it possible to modify the clauses and conditions of the shareholders' agreement initially entered into to facilitate the functioning of its governance bodies.

- **With Crédit Agricole S.A., shareholder holding more than 10% of voting rights; corporate officers in common: Ms Françoise Gri, Ms Catherine Pourre, Mr Philippe Brassac and Mr François Thibault (until the end of his term of office at Crédit Agricole S.A. on 13 May 2020).**

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

DESCRIPTION OF THE INITIAL PROJECT

On 1 January 2018, Crédit Agricole S.A. transferred certain activities managed by its Banking Services Division ("DSB") to your Company, 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 information systems, your Company was not able, as of 1 January 2018, to open accounts for the DSB customers. Consequently, it was agreed that Crédit Agricole S.A. would maintain its contractual relations with the DSB customers and would continue to administer the accounts opened by the latter, during a transition period starting on 1 January 2018.

NATURE AND PURPOSE

Your Company 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 your Company 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:

- The CRCA and AMUNDI "mandatory reserve" accounts;
- The BforBank "Investment" and "Refinancing" accounts;
- Two embargoed accounts and one account held by an individual now deceased whose estate is still in the process of being settled.

At the same time, Crédit Agricole S.A. and your Company also planned to extend the time limit of the transition period.

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 your Company 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 your Company when the information systems migration has been completed and the other operational constraints have been lifted, and to be no later than 31 December 2022. In addition, Crédit Agricole S.A. and your Company 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 your Company. Consequently, the amendment to the business transfer agreement cannot be characterized as an "ordinary transaction entered into on an arm's length basis" either for Crédit Agricole S.A. or for your Company, and both companies must comply with the related party agreements procedure.

REASONS JUSTIFYING WHY THE COMPANY BENEFITS FROM THIS AGREEMENT

Your Board of Directors gave the following reasons: The scope of the initial business transfer agreement was adjusted for the following purposes:

- To ensure greater consistency in the Group's liquidity management and steering processes concerning:
  - The mandatory reserve accounts with the Regional Banks and Amundi. Indeed, maintaining these accounts at Crédit Agricole S.A. makes it possible to ensure consistency with the treatment of the LCR cash accounts (which are excluded from the initial agreement and therefore maintained at Crédit Agricole S.A.). The mandatory reserve accounts are similar to LCR cash accounts in that they are managed by Crédit Agricole S.A. as central body and they also provide liquidity for the Central European Bank;
  - The BforBank investment and refinancing accounts. The maintaining of these accounts at Crédit Agricole S.A. makes it possible to ensure consistency between the remuneration and billing by Crédit Agricole S.A. and the characterization of this resource as long-term liquidity for Crédit Agricole S.A..
- To maintain accounts at Crédit Agricole S.A. that are technically not transferable. This concerns two Syrian bank accounts subject to restrictive measures, an account held by an individual now deceased whose estate is still in the process of settlement, and two technical accounts used by Crédit Agricole S.A. to account for its security deposits with the ABE and STET payment systems, whose very construction prevents them from being deemed part of a business.

Moreover, in view of the shift in the planned timing of the migration of information systems and accounts to your Company, it is necessary to extend the time limit of the transition period, initially set at 31 December 2020. Based on the current situation, a time limit of 31 December 2022 would make it possible to finalize the transfer of the information systems and all the customer accounts.

▶ With Mr Jean-François Balaÿ, Deputy CEO

◆ COMMITMENT MADE IN FAVOUR OF THE DEPUTY CEO

NATURE AND PURPOSE

Mr Jean-François Balaÿ was appointed Deputy CEO of Crédit Agricole CIB in the Board of Directors' meeting of 10 December 2020, with effect as from 1 January 2021.

The Board of Directors authorized different related party commitments in favour of Mr Balaÿ.

CONDITIONS

These commitments concern the following:

- The employment contract binding Mr Balaÿ to the company will be suspended during the term of his corporate office and reactivated after this term. The term of corporate office shall be counted in respect of the employment contract for the calculation of Mr Balaÿ's entitlements and advantages that are subject to a length-of-service condition.
- So that Mr Jean-François Balaÿ is not penalized by his appointment as a corporate officer and by the suspension of his employment contract, a private unemployment insurance policy was authorized by the Board of Directors, in the event of forced termination of his duties as a corporate officer.
- The annual contribution rate relating to this insurance stands at approximately 3% to 4% of annual taxable net professional income (excluding dividends) capped at 8 PASS (social security cap), fully funded by the company.
- The Board of Directors authorized, for the duration of Mr Jean-François Balaÿ's term of corporate office, the maintenance in his favour of the same benefits under the same conditions as for all personnel, of the health insurance and supplementary health insurance regimes, the retirement indemnity scheme and the defined-benefit supplementary pension scheme (article 39) which were applicable to him within the framework of his duties as an employee.
- The Board of Directors also approved his remuneration – both fixed and variable – granted in respect of his term as Deputy CEO of Crédit Agricole CIB being taken into consideration within the scope of the maintenance of these benefits, it being specified that, for the calculation of his entitlements in respect of the supplementary pension scheme. Mr Jean-François Balaÿ has already reached the limit of his entitlements.
- Note: Prior to his appointment as Deputy CEO, Mr Jean-François Balaÿ had already reached the maximum applicable replacement rate.

REASONS WHY THIS AGREEMENT IS BENEFICIAL FOR THE COMPANY

Your Board gave the following reasons: The Board considered that given Mr Balaÿ's experience with the Company and with the Crédit Agricole Group, maintaining his employment contract (while suspending it) as well as the length of service gained in respect of the contract would safeguard the entitlements that Mr Balaÿ has progressively accrued in the course of his career as an employee of Crédit Agricole CIB and the Crédit Agricole Group (over 25 years' seniority)

▶ With Mr Olivier Bélorgey, Deputy CEO

◆ COMMITMENT MADE IN FAVOUR OF THE DEPUTY CEO

NATURE AND PURPOSE

Mr Olivier Bélorgey was appointed Deputy CEO of Crédit Agricole CIB in the Board of Directors' meeting of 10 December 2020, with effect as from 1 January 2021.

The Board of Directors authorized different related party commitments in favour of Mr Bélorgey.

CONDITIONS

These commitments concern the following:

- The employment contract binding Mr Olivier Bélorgey to the company will be suspended during the term of his corporate office and reactivated after this term. The term of corporate office shall be counted in respect of the employment contract for the calculation of Mr Olivier Bélorgey's entitlements and benefits that are subject to a length-of-service condition.
- So that Mr Olivier Bélorgey is not penalized by his appointment as a corporate officer and by the suspension of his employment contract, a private unemployment insurance policy was authorized by the Board of Directors, in the event of forced termination of his duties as a corporate officer.
- The annual contribution rate relating to this insurance stands at approximately 3% to 4% of annual taxable net professional income (excluding dividends) capped at 8 PASS (social security cap), fully funded by the company.
- The Board of Directors authorized, for the duration of Mr Olivier Bélorgey's term of corporate office, the maintenance in his favour of the same benefits under the same conditions as for all personnel, of the health insurance and supplementary health insurance regimes, the retirement indemnity scheme and the defined-benefit supplementary pension scheme (article 39) which were applicable to him within the framework of his duties as an employee.
- The Board of Directors also approved his remuneration – both fixed and variable – granted in respect of his term as Deputy CEO of Crédit Agricole CIB being taken into consideration within the scope of the maintenance of these benefits, it being specified that, for the calculation of his entitlements in respect of the supplementary pension scheme, Mr Olivier Bélorgey benefits from entitlements fixed at 31 December 2019 (at 7.65% of the reference salary).

REASONS WHY THIS AGREEMENT IS BENEFICIAL FOR THE COMPANY

Your Board gave the following reasons: The Board considered that given Mr Bélorgey's experience with the Company and with the Crédit Agricole Group, maintaining his employment contract (while suspending it) as well as the length of service gained in respect of the contract would safeguard the entitlements that Mr Bélorgey has progressively accrued in the course of his career as an employee of Crédit Agricole CIB and the Crédit Agricole Group (over 29 years' seniority).

▶ With Mr Pierre Gay, Deputy CEO

◆ COMMITMENT MADE IN FAVOUR OF THE DEPUTY CEO

NATURE AND PURPOSE

Mr Pierre Gay was appointed Deputy CEO of Crédit Agricole CIB in the Board of Directors' meeting of 10 December 2020, with effect as from 1 January 2021.

The Board of Directors authorized different related party commitments in favour of Mr Gay.

CONDITIONS

These commitments concern the following:

- The employment contract binding Mr Pierre Gay to the company will be suspended during the term of his corporate office and reactivated after this term. The term of corporate office shall be counted in respect of the employment contract for the calculation of Mr Pierre Gay's entitlements and benefits that are subject to a length-of-service condition.
- So that Mr Pierre Gay is not penalized by his appointment as a corporate officer and by the suspension of his employment contract, a private unemployment insurance policy was authorized by the Board of Directors, in the event of forced termination of his duties as a corporate officer. The annual contribution rate relating to this insurance stands at approximately 3% to 4% of annual taxable net professional income (excluding dividends) capped at 8 PASS (social security cap), fully funded by the company.
- The Board of Directors authorized, for the duration of Mr Pierre Gay's term of corporate office, the maintenance in his favour of the same benefits under the same conditions as for all personnel, of the health insurance and supplementary health insurance schemes and the retirement indemnity scheme.
- The Board of Directors also approved his remuneration – both fixed and variable – granted in respect of his term as Deputy CEO of Crédit Agricole CIB being taken into consideration within the scope of the maintenance of these benefits.

REASONS WHY THIS AGREEMENT IS BENEFICIAL FOR THE COMPANY

Your Board gave the following reasons: The Board considered that given Mr Gay's experience with the Company and with the Crédit Agricole Group, maintaining his employment contract (while suspending it) as well as the length of service gained in respect of the contract would safeguard the entitlements that Mr Gay has progressively accrued in the course of his career as an employee of Crédit Agricole CIB and the Crédit Agricole Group (over 30 years' seniority).

Agreements with no prior authorization

In accordance with Articles L. 225-42 and L. 823-12 of the French Commercial Code (Code de commerce), we hereby inform you that the following agreements have not received prior authorization from your Board of Directors.

Our role is to inform you of the reasons why the authorization procedure was not followed.

▶ With the corporate officers concerned: Ms Meritxell Maestre Cortadella, Mr Lahouari Naceur, Mr Jean-Guy Larrivière and Mr Abdel-Liacem Louahchi, members of the Board of Directors

◆ GUARANTEE GRANTED TO THE CORPORATE OFFICERS

NATURE, PURPOSE AND CONDITIONS

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, authorized the conclusion of a guarantee in favour of Directors, including the Chairman. The purpose of this guarantee is to cover any risk of liability in legal or administrative proceedings initiated against Directors, 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' special 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 by the vote at the time.

In view of the positions held by the Directors within the Company, the Board, at its meeting of 29 October 2015, authorized the amendment of the guarantee in favour of the Directors in order to give it the same degree of clarity as that authorized by the Board of Directors at its meeting of 30 July 2015 in favour of the members of the Executive Management. Having noted that at the time all Directors were concerned by the agreement and that they could therefore not take part in the vote, the Board of Directors submitted the agreement to the approval of the Ordinary General Meeting of 9 May 2016, based on a special report of the Statutory Auditors, in accordance with Article L.225-42 of the French Commercial Code (*Code de commerce*). All of the Directors benefit from this guarantee.

During financial year 2020, the following people became Directors: Mr Lahouari Naceur (elected employee Director) replacing Ms Audrey Contaut as from 1 January 2020, Ms Meritxell Maestre Cortadella appointed Director by the General Meeting of Shareholders on 4 May 2020, and Mr Jean-Guy Larrivière and Mr Abdel-Liacem Louahchi elected employee Directors as a result of the electoral process on 25 November 2020. They have been beneficiaries of this guarantee since the beginning of their term of office.

This agreement was not authorized by the Board of Directors, as the Company considered that all the Directors were concerned by it and could therefore not take part in the vote on its authorisation.

- **With the corporate officers concerned: Mr Jacques Ripoll, Mr François Marion, Mr Jean-François Balaÿ, Mr Olivier Bélorgey and Mr Pierre Gay, members of the Executive Management.**

GUARANTEE GRANTED TO THE CORPORATE OFFICERS

NATURE AND PURPOSE

To enable the Company to assume the costs resulting from proceedings against all corporate officers, including the CEO and Deputy CEOs, the Board of Directors, at its meeting of 20 December 2012, was asked to authorize the conclusion of a guarantee in favour of the Deputy CEOs. The purpose of this guarantee is to cover any risk of liability in legal or administrative proceedings initiated against the Deputy CEOs, notably in the United States, during the period set under the statute of limitations applicable to the claims in question, plus three months.

CONDITIONS

In view of the positions held by the CEO and Deputy CEOs within the Company, the Board was asked, at its meeting of 30 July 2015, to authorize the amendment of the guarantee in favour of the CEO and Deputy CEOs relating to the scope of the duties performed by the beneficiaries and greater clarity in the wording of the letter.

As of the start of financial year 2021, Mr Jean-François Balaÿ, Mr Olivier Bélorgey and Mr Pierre Gay, appointed Deputy CEOs with effect as from 1 January 2021, are beneficiaries of this guarantee in respect of their new duties.

Mr Jacques Ripoll, appointed CEO with effect as from 1 November 2018, has been a beneficiary of this guarantee since he took up his position as CEO.

Mr François Marion, whose term of office as Deputy CEO was renewed by the Board of Directors on 31 October 2018, continued to be a beneficiary of this guarantee in financial year 2020. This agreement had been previously authorized by the Board of Directors and submitted for approval to the Annual General Meeting of 9 May 2016 concerning the members of the Executive Management.

Due to an omission to present this agreement to your Board of Directors as concerns the members of the Executive Management appointed or re-appointed since 2015, the above agreement did not receive prior authorisation as provided for in Article L. 225-38 of the French Commercial Code (*Code de commerce*).

- **With Crédit Agricole S.A, shareholder holding more than 10% of voting rights; corporate officers in common: Ms Françoise Gri, Ms Catherine Pourre and Mr Philippe Brassac.**

TAX CONSOLIDATION AGREEMENT BETWEEN CRÉDIT AGRICOLE S.A. AND CRÉDIT AGRICOLE CIB

NATURE AND PURPOSE

In 1996, Crédit Agricole S.A. signed a tax consolidation agreement with the Company, 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 your Company and its consolidated subsidiaries on the other.

Under this agreement, your Company 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 your Company's subgroup is a loss, your Company receives the saving in corporate income tax made 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 2019, a new agreement was signed for the period 2020-2024.

CONDITIONS

This renewal concluded in 2020 between your Company and Crédit Agricole S.A. covers the period 2020-2024.

The provisional indemnification to be received relating to the overall loss of the Crédit Agricole CIB subgroup as at 31 December 2020 in respect of the agreement between Crédit Agricole S.A. and your Company amounts to €40.7m.

REASONS JUSTIFYING WHY THE COMPANY BENEFITS FROM THIS AGREEMENT

Your Board of Directors gave the following reasons: The key reason for this tax consolidation agreement is to determine the division of the corporate income tax expense between Crédit Agricole S.A. and the Company, in particular through the re-allocation of the tax saving related to the loss generated by the Company's subgroup and transferred and used by the tax group.

Due to an omission to present this agreement to your Board of Directors, it did not receive prior authorisation as provided for in Article L. 225-38 of the French Commercial Code (Code de commerce). It was submitted to the Board of Directors after the event, on 9 February 2021.

AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements approved in prior years whose implementation continued during the year ended 31 December 2020

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 year ended 31 December 2020.

With Crédit Agricole S.A, shareholder holding more than 10% of voting rights

SUBSCRIPTION FOR PREFERRED SHARES OR DEEPLY SUBORDINATED NOTES

NATURE AND PURPOSE

Within the context of the strengthening of the shareholders' equity made necessary by the transfer to your Company (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, authorized one or more issues of deeply subordinated notes or preferred shares.

CONDITIONS

In this context, two issues of deeply subordinated notes in USD were performed in 2004 for a total amount of USD1,730m, for which Crédit Agricole S.A. subscribed.

In financial year 2014, one of the issues in the amount of USD1,260m was redeemed in advance on 28 February 2014.

For the only issue, in the amount of USD200m, still outstanding as at 31 December 2020, the total coupon due in respect of financial year 2020, excluding late-payment interest, was USD7.3m.

AGREEMENT RELATING TO THE PAYMENT OF THE EURIBOR FINE

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Mr Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Mr 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, Mr François Veverka and Mr 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 the Company 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, your Company's Board of Directors authorized 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 the Company at a later date, following a decision by a court of last instance having the force of res judicata.

The agreement was authorized 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 the Company's CEO and that 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

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Mr Philippe BRASSAC, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Ms Françoise GRI, Ms Catherine POURRE and Mr 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, Mr 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 the Company agreed to transfer Crédit Agricole S.A.'s Banking Services Division ("DSB") to the Company's Operations, Premises & Countries COOs Division ("OPC").

The operation 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;

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- an account management activity for the Regional Banks and some of the other Crédit Agricole Group credit institutions;
- a level 1 alerts treatment activity.

This transfer of activity 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, the Board of Directors authorized the transfer of the DSB business, as described above, by means of a business transfer agreement effective 1 January 2018. Since that date, the Company has operated the acquired business with the human and material resources transferred.

However, for operational reasons and, in particular, information systems migration, the Company was not able to open accounts for DSB 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 the Company during and at the end of the transition period according to a schedule based on progress made in the work to be done by the Company, which is expected to be completed no later than 31 December 2022 (this period was extended in view of the amendment authorized by the Board of Directors on 10 December 2020). During this transition period, Crédit Agricole S.A. will pass back to your company the results of the operations of the business transferred, received by Crédit Agricole S.A. from DSB customers. In parallel, all expenses, costs and liabilities incurred by Crédit Agricole S.A. in respect of the transferred business will be assumed by the Company.

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 the Company 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.

BILLING AND COLLECTION MANDATE AS PART OF THE TRANSFER OF CRÉDIT AGRICOLE S.A.’S IT SERVICES MANAGEMENT ACTIVITIES (“MSI”) TO THE COMPANY

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Mr Philippe BRASSAC, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of your Company, Ms Françoise GRI, Ms Catherine POURRE and Mr 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 your Company, as well as, in the same capacity, Mr 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 (“MSI”) to Global IT (“GIT”), which performs the same functions for the Company.

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, the Company 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 regarding related party agreements. As such, this mandate was authorized by the Company’s Board of Directors at its meeting on 12 December 2017.

CONDITIONS

During a six- to twelve-month transition period starting from the MSI transfer date, certain Crédit Agricole Group entities may benefit from MSI 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 your Company 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 the Company.

At the end of this transition period, the Company 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 Crédit Agricole Group.

▶ With Crédit Lyonnais

AGREEMENT FOR THE INDEMNIFICATION OF CREDIT LYONNAIS BY YOUR COMPANY

NATURE AND PURPOSE

The Corporate and Investment Banking business of Crédit Lyonnais was transferred to the Company (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 the Company 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, the Company undertook to indemnify Crédit Lyonnais for the counterparty risks relating to those loans from 1 January 2004.

CONDITIONS

The amount of the guarantee was €1.73m at 31 December 2020. The amount of compensation due in respect of 2020 was €4,703.98, excluding taxes.

▶ With Crédit Agricole Indosuez Wealth (France), previously named Crédit Agricole Indosuez Private Banking

AGREEMENT FOR THE SUBLEASING OF PREMISES

NATURE AND PURPOSE

Under an irrevocable lease expiring in 2040, Crédit Agricole CIB is a tenant in the building located at 17, rue du Docteur Lancereaux in the 8th *arrondissement* of Paris; in order to group together the employees of Crédit Agricole Indosuez Wealth (France), formally known as Crédit Agricole Indosuez Private Banking, in this same building, a subleasing agreement with Crédit Agricole Indosuez Wealth (France) was authorized by the Board of Directors of Crédit Agricole CIB.

CONDITIONS

This agreement took effect on 1 July 2014 and includes an irrevocable commitment by Crédit Agricole Indosuez Wealth (France) for a lease term of 12 years and an annual rent identical to that of the main lease, initially set at €3.6m. In exchange for the irrevocable lease commitment, the Company granted Crédit Agricole Indosuez Wealth (France) a 36-month rent-free period ending on 30 June 2017 and bore the cost of the refurbishment work for a maximum amount of €5.22m excluding taxes and including fees.

Through the effect of the indexation clause, the annual rent billed to the Company by GECINA is rebilled in full to CAIW. For the year 2020 this amounted to €3,800,564.36, excluding taxes. As provided for by the subleasing agreement, CAIW has paid the entire rent since 1 July 2017.

▶ Wit h 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 authorized by the Board of Directors on 3 August 2020, presented at the beginning of this report.

EXECUTIVE OFFICERS AND DIRECTORS CONCERNED

Mr Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Mr Jacques Boyer, Mr Olivier Gavalda, Mr Luc Jeanneau and Mr François Thibault (until the end of his term of office at Crédit Agricole S.A on 13 May 2020), Ms Nicole Gourmelon (until the end of her term of office as member of the Board of Directors of your Company on 7 May 2019), Ms Françoise Gri and Ms Catherine Pourre, Chairmen and/or Directors of the companies concerned.

NATURE AND PURPOSE

Pursuant to the above-mentioned Memorandum of Understanding, 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 Corporate and Investment Bank 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 organize 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 of the Regional Banks and a Chief Executive Officer appointed upon the proposal of the Crédit Agricole S.A. Group.

Noting, in addition to the presence of common Chairmen and Directors, 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.

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 Memorandum of Understanding. In particular, it organizes 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.

▶ With Crédit Agricole S.A, shareholder holding more than 10% of voting rights, Crédit Agricole Assurances Solutions, Crédit Lyonnais, CA Consumer Finance, Crédit Agricole Group Solutions, Crédit 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

Mr Philippe Brassac, CEO of Crédit Agricole S.A. and Chairman of the Board of Directors of Crédit Agricole CIB, Mr Jacques Boyer, Mr Olivier Gavalda, Mr François Thibault (until the end of his term of office at Crédit Agricole S.A on 13 May 2020), Ms Nicole Gourmelon (until the end of her term of office as member of the Board of Directors of your Company on 7 May 2019), Ms Françoise Gri and Ms Catherine Pourre, Chairmen and/or Directors of the companies concerned.

NATURE AND PURPOSE

At its meeting on 4 May 2018 during which it authorized the signing of the Memorandum of Understanding, the Company's Board of Directors was informed that the signatories would agree 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 authorized 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 thirty-six 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 undertaking 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 2020.

Neuilly-sur-Seine and Paris-La Défense, 22 March 2021

The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit		ERNST & YOUNG ET AUTRES	
Anik Chaumartin-Roesch	**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, to my knowledge and after all due diligence, the information contained in the present Universal Registration document is true and accurate and conatins no omission likely to affect the import thereof.

I hereby certify that, to my knowledge, the consolidated financial statements for year ended 31 December 2020 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all entities included in the consolidated Group, and the yearly report provides a true and fair view of the important events of the current financial year, of the effect of such events on the Company's accounts, of the principal related party transactions, as well as a description of the main risks and principal uncertainties of this year.

I have obtained a letter from the statutory auditors, PricewaterhouseCoopers Audit et Ernst & Young et Autres, upon completion of their work in which they state that they verified the information relating to the financial situation and financial statements provided in this document and read the document as a whole.

Montrouge, 23rd March 2021

The Chief Executive Officer of Crédit Agricole CIB
Jacques RIPOLL

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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 et Matthieu Préchoux	Member of the Versailles regional association of Statutory auditors Company represented by: Anik Chaumartin 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 Article 28 of EC Regulation 809/2004 and Article 212–11 of the AMF's General Regulations, the following are incorporated by reference:*
- *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 à 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.*
- *the consolidated and annual financial statements for the year ended 31 December and the corresponding Statutory Auditors' Reports, as well as the Crédit Agricole CIB's management report, appearing respectively on pages 288 to 411 and 422 to 452, on pages 412 to 417 and 453 to 458 and on pages 145 to 154 of the Crédit Agricole CIB Registration document 2018 registered by the AMF on 5 april 2019.*

The sections of the Universal registration document 2019 and the Registration document 2018 not referred to above are either not applicable to investors or are covered in another part of this universal registration document.

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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9

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	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	French Financial markets authority (*Autorité des Marchés Financiers*, AMF).
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.

(1) APM-Alternative Perfomance Measures (details on page 136 of this document).

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.

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	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.3
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.
Coverage	Client follow-up.

(1) APM-Alternative Perfomance Measures (details on page 136 of this document).

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 i*n Germany). This product is usually issued by financial institutions.
CPM	Credit Portfolio Management.
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).
Credit and counterparty risk	Risk of losses arising from inability by the Group's clients, issuers or other counterparties to meet their financial commitments. Credit and counterparty risk includes the counterparty risk relating to market transactions and securitisation operations.
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.
CRR	Capital Requirement Regulation (European regulation).
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 Banks 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.
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 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.
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.
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).
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.
Operational risk (including accounting and environmental risk)	Risk of losses or penalties as a result of failures in internal procedures and systems, human error or external events.
OTC	Over-The-Counter.

(1) APM-Alternative Perfomance Measures (details on page 136 of this document).

P

Pricing	Setting a price.

R

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	A body which 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.
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.
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).
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.
Structural interest rate and foreign exchange risks	Risk of losses or impairment on the Group's assets in the event of fluctuations in interest and exchange rates. Structural interest rate and foreign exchange risks are linked to commercial activity and own management operations.
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.

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).
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.
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.

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