

**IMPORTANT:** The Issuer is responsible for the information contained in this Offering Circular. As of the date of this Offering Circular, the information contained herein is true and accurate in all material respects and it does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Before purchasing the Bonds, investors are advised to carefully read this Offering Circular and relevant information disclosure documents and make an independent investment decision. The approval by the People's Banks of China for the Programme (as defined below) does not constitute any evaluation by the People's Bank of China on an investment in the Bonds nor any assessment on the risks involved in an investment in the Bonds.



## **Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1)**

### **Offering Circular**

**Issuer: Crédit Agricole S.A.**

Registered Address: 12, place des États-Unis, 92127 Montrouge Cedex, France

#### **Lead Underwriter and Lead Bookrunner**



Bank of China Limited

#### **Joint Lead Underwriters and Joint Bookrunners**



Industrial and Commercial Bank  
of China Limited



Agricultural Bank of China  
Limited



DBS Bank (China) Limited



China Construction Bank  
Corporation



China International Capital  
Corporation Limited



China Securities Co., Ltd.



CITIC Securities Company Limited

#### **Joint Lead Underwriter, Joint Bookrunner and Financial Advisor**



Credit Agricole Corporate and Investment Bank (China) Limited

6 July 2023

## STATEMENTS OF THE ISSUER

Based on the Decision on the Approval of Administrative Permits issued by the People's Bank of China in relation to the issue of financial bonds by Crédit Agricole S.A. in China (Yin Xu Zhun Yu Jue Zi [2021] No.189) (the "**PBOC Approval**") and as authorised, as per French law, by the Issuer's Board of Directors, Crédit Agricole S.A. (the "**Issuer**") intends to issue bonds in an aggregate principal amount of up to RMB10 billion under its Renminbi bonds issuance programme (the "**Programme**") on China's interbank bond market ("**Interbank Market**") in multiple series from time to time for a period up to two years from the date of the PBOC Approval. The Issuer intends to offer, through this Offering Circular, its Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1) (the "**Bonds**") in an aggregate principal amount of RMB1 billion under the Programme.

The Bonds will be publicly offered on the Interbank Market. Before purchasing the Bonds, investors are advised to carefully read this Offering Circular and relevant information disclosure documents and make an independent investment decision. The PBOC Approval does not constitute an evaluation by the People's Banks of China (the "**PBOC**") on an investment in the Bonds nor an assessment on the risks involved in an investment in the Bonds.

The contents of this Offering Circular conform to the applicable laws, regulations, regulatory documents promulgated by the PBOC, the *Interim Measures for the Administration of Bonds Issued by Overseas Issuers on the National Interbank Bond Market* (《全国银行间债券市场境外机构债券发行管理暂行办法》) (the "**Interim Measures**") and the PBOC Approval and take into account the Issuer's actual circumstances. This Offering Circular aims to provide investors with basic information of the Issuer and the information on the offering and subscription of the Bonds.

The Issuer is responsible for the information contained in this Offering Circular. As of the date of this Offering Circular, the information contained herein is true and accurate in all material respects and it does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

No individual or entity has been or is appointed or authorised by the Issuer or the Principal Underwriters (as defined below) to give any information not contained in this Offering Circular or make any statement about this Offering Circular. Should any investor have any queries about this Offering Circular or any documents made available for inspection, it should consult its own securities brokers, legal advisors, certified public accountants or other professional advisors.

Any acquisition and holding of the Bonds through subscription or transfer is deemed as the holder's consent to the rights and obligations prescribed in this Offering Circular.

### Statement regarding selling restrictions

**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturers' product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the guidelines published by the European Securities and Markets Authority on 5 February 2018

(the “**ESMA Guidelines**”) has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive (EU) 2014/65 (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate, subject to compliance with applicable securities laws and regulations in the jurisdiction of the distribution. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

***UK MiFIR product governance / Professional investors and ECPs only target market***

Solely for the purposes of the manufacturers’ product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the ESMA Guidelines in accordance with policy statement of the Financial Conduct Authority (the “**FCA**”) entitled “*Brexit our approach to EU non-legislative materials*” has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom (“**UK**”) domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate, subject to compliance with applicable securities laws and regulations in the jurisdiction of the distribution. Any distributor should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

This Offering Circular has been prepared on the basis that any offer of Bonds in any member state of the European Economic Area (each, an “**EEA Member State**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Bonds. Accordingly, any person making or intending to make any offer of Bonds, within such EEA Member State, which are the subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any of the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in relation to such offer. Neither the Issuer nor the Underwriters have authorised, nor do they authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or the Underwriters to publish or supplement a prospectus for such offer.

For the purposes of this provision, the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended from time to time).

This Offering Circular has been prepared on the basis that any offer of Bonds in the UK will be made pursuant to an exemption under the Financial Services and Markets Act 2000, as

amended (the “**FSMA**”) from the requirement to publish a prospectus for offers of Bonds. Accordingly, any person making or intending to make any offer of Bonds, within the UK, which are the subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any of the Underwriters to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in relation to such offer. Neither the Issuer nor the Underwriters have authorised, nor do they authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or the Underwriters to publish or supplement a prospectus for such offer.

For the purposes of this provision, the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

This Offering Circular is only being distributed to and is only directed at (i) persons who are outside the UK or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). Any Bonds will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Bonds will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Offering Circular or any of its contents.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (hereinafter, the “**U.S. Securities Act**”) or the securities laws of any U.S. state. The Bonds may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Bonds are being offered only outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the U.S. Securities Act (“**Regulation S**”). The Bonds may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) unless an exemption from the registration requirements under the U.S. Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the U.S. Securities Act.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Principal Underwriters to subscribe for, or purchase, any Bonds in any jurisdiction in which such offer or invitation would not be lawful. Neither this Offering Circular nor any other information supplied in connection with the Bonds should be considered as a recommendation by the Issuer or the Principal Underwriters that any potential investor should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own

independent assessment on the financial and other conditions of the Issuer, the investment value of the Bonds and the creditworthiness of the Issuer.

### **Statement regarding the bail-in recognition provision of the Bonds**

The Terms of the Bonds contain a Statutory Write-Down or Conversion recognition provision. Each investor of the Bonds, by its acquisition and holding of the Bonds, acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority (each as defined below), which may result in the Bonds being subject to mandatory write-down or conversion to equity under European and French laws relating to bank recovery and resolution. In the event of implementation of a mandatory write-down or conversion of the Bonds and subject to/in compliance with the decisions, injunctions and/or requests from the Relevant Resolution Authority, the Issuer will use its commercially best efforts (i) to facilitate the completion of the procedures for such write-down or conversion and (ii) to assist the Bondholders, in connection therewith. In particular, the Issuer will use its commercially best efforts to provide investors with all the needed information that may be required from it, including without limitation, (i) in the event the Bonds are subject to write-down the procedures of statutory write-down, and (ii) in the event the Bonds are subject to conversion, the procedures of conversion and the information on whether the converted equity would or would not be listed and tradable. In the event of implementation of a conversion of the Bonds into shares of the Issuer resulting in the listing of such shares on a stock exchange, the Issuer will, in compliance with the decisions, injunctions and/or requests from the Relevant Resolution Authority, use its commercially best efforts to implement the necessary procedure to facilitate such listing. Investors shall be cautioned that, in the event of such conversion, each investor shall ensure that it possesses the requisite qualification to be a holder of such shares under the laws of its home jurisdiction or other applicable laws or regulations. Additionally, investors may be required to make filings and/or registrations with, or obtain permits or approvals from, certain competent governmental or regulatory authorities of the PRC or other relevant jurisdictions under the applicable laws and regulations and/or the requirements of such authorities. If any investors do not possess such qualification or fail to make such filings and/or registrations or obtain such permits or approvals, such investors may lose all or part of their investment in the Bonds. For details of such Statutory Write-Down or Conversion recognition provision, please refer to term (30) (*Statutory Write-Down or Conversion*) under heading 3 “Basic Information of the Bonds” in Section 2 “Summary of this Offering Circular” and to Term (35) (*Statutory Write-Down or Conversion*) under the heading “Terms of the Bonds” in Section 5 “Terms of the Bonds and Offering Arrangements”. In the opinion of the Issuer, the implementation of such Statutory Write-Down or Conversion recognition provision of the Bonds is, as of the date hereof, in coherence with mandatory PRC laws. For a description of resolution measures including, critically, the Bail-in Tool, which can be implemented under French law and BRRD (as defined below), and the related risks to investors of the Bonds, please refer to the risk factor “The Bonds may be subject to mandatory write-down or conversion to equity under European and French laws relating to bank recovery and resolution” under the heading “Risks relating to the Bonds” in Section 4 “Risk Factors” and the disclosure under the heading “Government Supervision and Regulation of Credit Institutions in France” in Section 11 “Regulation and Governance of the Issuer”.

## **Statements regarding the accounting standards applicable to the Issuer and the Group**

The audited consolidated financial statements of the Issuer and the Group for the years ended on 31 December 2020, 2021 and 2022 have been prepared in accordance with International Accounting Standard (“**IAS**”)/International Financial Reporting Standards (“**IFRS**”) and International Financial Reporting Interpretations Committee (“**IFRIC**”) interpretations applicable at 31 December 2020, 2021 and 2022, respectively, and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting. The figures presented for the three-month period ending 31 March 2023 as included in the quarterly financial report for the results of the Issuer and the Group as at and for the three months ended 31 March 2023 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force, and this financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 “Interim Financial Reporting” and has not been audited. Investors should note that the information and documents on the Issuer’s website does not constitute part of this Offering Circular.

Investors should read the financial data and indicators referred to in this Offering Circular in conjunction with the consolidated financial statements of the Issuer and the Group and the notes thereto that are available on the Issuer’s website. The Issuer’s financial year ends on 31 December of each year.

## **EUR/RMB exchange rates**

Amounts specified in Section 6 “Basic Information and Management of the Issuer,” Section 7 “Operation and Management of the Issuer” and Section 8 “Selected Financial Information and Analysis of Financial Condition and Results of Operations” are expressed in EUR. For illustration purposes only, the EUR/RMB central parity rate, expressed as the amount of RMB per one EUR, as published on <http://www.chinamoney.com.cn/index.html> by the China Foreign Exchange Trade System (the “**CFETS**”), a sub-institutional organization of PBOC, was 7.8771 on 30 June 2023.

## **Statements regarding legal terms under EU Regulations and Directives, French law and English Law in this Offering Circular**

This Offering Circular contains certain words, phrases and statements that are defined under the relevant EU Regulations and Directives (hereinafter referred to as, together, the “**EU Regulations**”), French laws and regulations (including but not limited to the disclosures on certain EU Regulations and French laws and regulations in Section 3 “Status of the Bonds”, Section 11 “Regulation and Governance of the Issuer” and Section 17 “Legal Opinions relating to the Bonds”) and English Law which may differ from their interpretations under the laws of the People’s Republic of China (“**China**” or the “**PRC**”, for the purpose of this Offering Circular, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan Region). When reading this Offering Circular, investors shall refer to the relevant EU Regulations, French laws and regulations and English law for their interpretations and, if in doubt, shall consult their own legal counsel.

### **Statement regarding Business Days**

The “**Business Day**” referred to in this Offering Circular means any day (other than a statutory holiday in the PRC) when commercial banks and foreign exchange markets settle payments and are open for corporate business (including dealings in foreign exchange and foreign currency deposits) in Shanghai, China and the Custody Institution is open for trading, clearing and settlement of bonds.

### **Statements regarding the Issuer’s Option to Redeem the Bonds**

When any of the circumstances for early redemption of the Bonds, as set out in the terms of the Bonds, occurs, the Issuer may, at its option, redeem the Bonds in accordance with Term (23) (*Early Redemption*) as set out in the Section 5 “Terms of the Bonds and Offering Arrangements” of this Offering Circular. Please refer to the risk factor “The Bonds may be redeemed upon the occurrence of a Withholding Tax Event, a Gross-Up Event or reasons of force majeure, where applicable” under the heading “Risks relating to the Bonds” in Section 4 “Risk Factors” of this Offering Circular.

### **Statement relating to forward-looking statements**

This Offering Circular includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “target”, “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include, but are not limited to, statements regarding the Issuer’s, the Crédit Agricole S.A. Group’s or the Crédit Agricole Group’s intentions, beliefs or current expectations concerning, among other things, the Crédit Agricole S.A. Group’s or the Crédit Agricole Group’s business, results of operations, financial position, liquidity, prospects, growth, strategies and the banking sector.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Crédit Agricole S.A. Group’s operations, financial position and liquidity, and the development of the markets in which the Crédit Agricole S.A. Group or the Crédit Agricole Group operate, may differ materially from those described in, or suggested by, the forward looking statements contained in this Offering Circular. In addition, even if the Crédit Agricole S.A. Group’s results of operations, financial position and liquidity, and the development of the markets and the industries in which the Crédit Agricole S.A. Group operates, are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Offering Circular reflect the Issuer's, the Crédit Agricole S.A. Group's or the Crédit Agricole Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Crédit Agricole S.A. Group's or the Crédit Agricole Group's business, results of operations, financial position, liquidity, prospects, growth, strategies and the banking sector. Investors should specifically consider the factors identified in this Offering Circular, which could cause actual results to differ, before making an investment decision. Subject to all relevant laws, regulations or listing rules, the Issuer undertakes no obligation publicly to release the result of any revisions to any forward-looking statements in this Offering Circular that may occur due to any change in the Issuer's expectations or to reflect events or circumstances after the date of this Offering Circular.

### **Statement relating to the language used for information disclosure**

Certain documents prepared by the Issuer for public disclosure with respect to the Bonds have been made in both English and Chinese. For any inconsistency between the two language versions, the Chinese version prevails. For the avoidance of doubt, the official financial statements and other corporate documents such as the constitutional documents of the Issuer will be in English and any Chinese translation of such documents should be read along with the relevant English version.

### **Access to Information**

Investors may obtain full access to this Offering Circular in Chinese on the website of the Custody Institution designated by PBOC (<http://www.shclearing.com.cn>), or China Money (<http://www.chinamoney.com.cn>), or at any place, or on any website or through any media as otherwise designated during the offering period of the Bonds. If in doubt, investors should consult their own securities brokers, legal advisors, certified public accountants or other professional advisors.

### **Statement relating to “Bond Connect”**

Offshore investors participating in the subscription or purchase of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Markets released by PBOC, as well as applicable rules issued by other relevant authorities.



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## TABLE OF CONTENTS

TABLE OF CONTENTS .....	IX
SECTION 1: DEFINITIONS .....	1
SECTION 2: SUMMARY OF THIS OFFERING CIRCULAR .....	12
SECTION 3: STATUS OF THE BONDS .....	27
SECTION 4: RISK FACTORS .....	28
SECTION 5: TERMS OF THE BONDS AND OFFERING ARRANGEMENTS .....	74
SECTION 6: BASIC INFORMATION AND MANAGEMENT OF THE ISSUER ....	90
SECTION 7: OPERATION AND MANAGEMENT OF THE ISSUER .....	90
SECTION 8: SELECTED FINANCIAL INFORMATION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	97
SECTION 9: REPAYMENT PLAN AND ASSURANCE MEASURES .....	173
SECTION 10: CORPORATE GOVERNANCE OF THE ISSUER .....	173
SECTION 11: REGULATION AND GOVERNANCE OF THE ISSUER .....	196
SECTION 12: USE OF PROCEEDS AND HISTORICAL DEBT OFFERINGS .....	196
SECTION 13: SELLING RESTRICTIONS .....	222
SECTION 14: TAXATION RELATING TO THE BONDS .....	227
SECTION 15: LOCAL CREDIT RATINGS .....	232
SECTION 16: DISCLOSURE ARRANGEMENTS .....	234
SECTION 17: LEGAL OPINIONS RELATING TO THE BONDS .....	236
SECTION 18: INVESTOR PROTECTION MECHANISM .....	238
SECTION 19: PARTIES INVOLVED IN THE OFFERING OF THE BONDS .....	246
SECTION 20: DOCUMENTS AVAILABLE FOR INSPECTION .....	252

## SECTION 1: DEFINITIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, the following terms shall have the following meanings:

<b>“20 August 2015 Decree Law”</b>	means	the French decree-law No. 2015-1024 dated 20 August 2015 ( <i>Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière</i> ) ratified on 9 December 2016 ( <i>Loi relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique</i> ), as amended or replaced from time to time
<b>“2020 URD”</b>	means	the Universal Registration Document of the Issuer under number D.21-0184 dated 24 March 2021, which is available on the Issuer’s website
<b>“2021 URD”</b>	means	the Universal Registration Document of the Issuer under number D.22-0142 dated 24 March 2022, which is available on the Issuer’s website
<b>“2022 URD”</b>	means	the Universal Registration Document of the Issuer under number D.23-0154 dated 27 March 2023, which is available on the Issuer’s website
<b>“21 December 2020 Decree Law”</b>	means	the French decree-law No. 2020-1636 dated 21 December 2020 ( <i>Ordonnance relative au régime de résolution dans le secteur bancaire</i> ), as amended and replaced from time to time
<b>“A01 of the 2020 URD”</b>	means	the first amendment to the 2020 URD dated 1 April 2021, which is available on the Issuer’s website
<b>“A01 of the 2021 URD”</b>	means	the first amendment to the 2021 URD dated 4 April 2022, which is available on the Issuer’s website
<b>“A01 of the 2022 URD”</b>	means	the first amendment to the 2022 URD dated 4 April 2023, which is available on the Issuer’s website
<b>“A02 of the 2022 URD”</b>	means	the second amendment to the 2022 URD dated 15 May 2023, which is available on the Issuer’s website
<b>“ACPR”</b>	means	the French Regulatory and Resolution Supervisory Authority ( <i>Autorité de Contrôle Prudentiel et de Résolution</i> )

<b>“Additional Amounts”</b>	means	the amounts as described in the Term (28) ( <i>Taxation Consideration</i> )
<b>“Amounts Due”</b>	means	the outstanding principal amount of the Bonds and any accrued and unpaid interest on the Bonds
<b>“Applicable Banking Regulations”</b>	means	at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in France including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect, and as applied by, the Relevant Regulator
<b>“Applicable MREL/TLAC Regulations”</b>	means	at any time, the laws, regulations, requirements, guidelines and policies giving effect to (i) MREL and (ii) the principles set forth in the FSB TLAC Term Sheet or any successor principles. If there are separate laws, regulations, requirements, guidelines and policies giving effect to the principles described in (i) and (ii), then “Applicable MREL/TLAC Regulations” means all such regulations, requirements, guidelines and policies (including without limitation, the BRRD, the CRR Regulation and the CRD V (each as defined below))
<b>“Bail-in Tool”</b>	means	the power to write-down bail-inable liabilities of a credit institution in resolution, or (as applicable) to convert them to equity
<b>“Basel III”</b>	means	the proposals finalised by the Basel Committee on Banking Supervision in December 2010 to strengthen existing capital standards and to establish minimum liquidity standards
<b>“Bond Connect”</b>	means	the institutional arrangements under which investors in Mainland and overseas may buy and sell bonds trading in Mainland and Hong Kong through the connected market infrastructures of the two bond markets
<b>“Bonds”</b>	means	Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1) in an aggregate principal amount of RMB1 billion
<b>“Bondholder”</b>	means	the holder of the Bonds, whose name is listed on the register maintained by the Custody Institution

<b>“Bookbuilding”</b>	means	the process of determining the final interest rate/price organized by the Bookrunners through recording the interest rate/price and quantity of the Bonds to be subscribed for by the members of the Underwriting Syndicate and investors, in accordance with an agreed approach to pricing and placement, after the Issuer and the Principal Underwriters have determined the range of interest rate/price and the members of the Underwriting Syndicate have submitted subscription orders.
<b>“Bookbuilding Date”</b>	means	the Business Day on which Bookbuilding for the Bonds is conducted. See Term (15) ( <i>Bookbuilding Date for the Bonds</i> )
<b>“Bookrunners”</b>	means	the Lead Bookrunner and Joint Bookrunners
<b>“BRRD”</b>	means	Directive (EU) No.2014/59 of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive (EU) No.2019/879 of the European Parliament and of the Council of 20 May 2019 amending such Directive (EU) No.2014/59 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, and Directive 98/26/EC, as amended or replaced from time to time or, as the case may be, any implementation provision under French law
<b>“BRRD Implementation Decree Laws”</b>	means	taken together, the (i) 20 August Decree Law, and (ii) 21 December 2020 Decree Law, each as amended from time to time
<b>“Business Day”</b>	means	any day (other than a statutory holiday in the PRC) when commercial banks and foreign exchange markets settle payments and are open for corporate business (including dealings in foreign exchange and foreign currency deposits) in Shanghai, China and the Custody Institution is open for trading, clearing and settlement of bonds
<b>“CACIB” or “Crédit Agricole CIB”</b>	means	Crédit Agricole Corporate and Investment Bank

<b>“Capital Instruments”</b>	means	any capital instruments, including common equity tier 1, additional tier 1 and tier 2 instruments
<b>“China”, “Mainland” or “PRC”</b>	means	the People’s Republic of China, and for the purpose of this Offering Circular and for geographical reference only and except where the context otherwise requires, excluding Hong Kong, the Macau Special Administrative Region and Taiwan Region
<b>“CFETS”</b>	means	China Foreign Exchange Trade System
<b>“CIETAC”</b>	means	China International Economic and Trade Arbitration Commission
<b>“CNY”, “RMB” or “Renminbi”</b>	means	Renminbi, the lawful currency of the PRC
<b>“Competent Authorities”</b>	means	the PRC regulators whose approvals are required for the offering of the Bonds
<b>“CRD Directive”</b>	means	Directive (EU) 2013/36 of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013, as amended by Directive 2019/878/EU of the European Parliament and of the Council of 20 May 2019 amending such Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended or replaced from time to time, or, as the case may be, any implementation provision under French law
<b>“CRD V”</b>	means	taken together, (i) the CRD Directive (as defined above) and (ii) the CRR Regulation (as defined below)
<b>“Crédit Agricole Network”</b>	means	the Cr édit Agricole Network, as defined in Article R. 512-18 of the French Monetary and Financial Code – (i.e., the Regional Banks, the Local Banks, the Issuer (as central body) and its affiliated members which are, as of the date hereof, Cr édit Agricole Corporate and Investment Bank and BforBank)

<b>“CRR Regulation” or “CRR”</b>	means	Regulation (EU) 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 and by Regulation (EU) 2020/873 of the European Parliament and the Council of 24 June 2020 amending such Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012, as amended or replaced from time to time
<b>“Credit Rating Agency” or “S&amp;P Ratings China”</b>	means	S&P Ratings (China) Co., Ltd.
<b>“Crédit Agricole S.A. Group”</b>	means	Crédit Agricole S.A. (the Issuer) and its consolidated subsidiaries
<b>“Crédit Agricole Group” or the “Group”</b>	means	the Crédit Agricole S.A. Group, the Regional Banks, the Local Banks and their respective subsidiaries
<b>“Custody Institution”</b>	means	Interbank Market Clearing House Co., Ltd. (also known as the “Shanghai Clearing House”)
<b>“Designated Disclosure Methods”</b>	means	the websites of the Custody Institution designated by PBOC ( <a href="http://www.shclearing.com.cn">http://www.shclearing.com.cn</a> ), China Money ( <a href="http://www.chinamoney.com.cn">http://www.chinamoney.com.cn</a> ) and other platforms or methods designed by the Competent Authorities
<b>“Deposit Guarantee Scheme Directive” or “DGSD”</b>	means	Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes
<b>“day”</b>	means	a calendar day
<b>“ECB”</b>	means	European Central Bank

<b>“Eligible Liabilities”</b>	means	all non-excluded liabilities, including subordinated debt instruments not qualifying as Capital Instruments (such as deeply subordinated notes and/or subordinated notes issued after 28 December 2020 if and when they are fully excluded from additional tier 1 capital or tier 2 capital, as applicable and the Other Subordinated Obligations), unsecured senior non-preferred debt instruments (such as the senior non-preferred notes) and unsecured senior preferred debt instruments (such as the senior preferred notes, including the Bonds)
<b>“€”, “EUR” or “Euro”</b>	means	the lawful currency of the member states of the European Union introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time
<b>“FATCA”</b>	means	The Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto
<b>“Financial Advisor”</b>	means	Credit Agricole Corporate and Investment Bank (China) Limited
<b>“Fitch”</b>	means	Fitch Rating Ireland Limited
<b>“FSB TLAC Term Sheet”</b>	means	the Total Loss Absorbing Capacity term sheet set forth in the document dated 9 November 2015 published by the Financial Stability Board, entitled “ <i>Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution</i> ”, as amended from time to time
<b>“Gross-up Event”</b>	means	the event as described in the Term (23) ( <i>Early Redemption</i> )
<b>“Group’s 2020 Financial Statements”</b>		the Group’s consolidated financial statements for the year ended 31 December 2020 as included in the A01 of the 2020 URD
<b>“Group’s 2021 Financial Statements”</b>		the Group’s consolidated financial statements for the year ended 31 December 2021 as included in the A01 of the 2021 URD



<b>“Group’s 2022 Financial Statements”</b>		the Group’s consolidated financial statements for the year ended 31 December 2022 as included in the A01 of the 2022 URD
<b>“Hong Kong” or “HK”</b>	means	the Hong Kong Special Administrative Region of the PRC
<b>“IFRS”</b>	means	International Financial Reporting Standards
<b>“Interbank Market”</b>	means	the PRC national interbank bonds market
<b>“Investor Currency”</b>	means	a currency other than Renminbi, in which investors evaluate their investment returns
<b>“Issuer”</b>	means	Crédit Agricole S.A.
<b>“Issuer’s 2020 Financial Statements”</b>		the audited consolidated financial statements of the Issuer for the year ended on 31 December 2020 as included in the 2020 URD
<b>“Issuer’s 2021 Financial Statements”</b>		the audited consolidated financial statements of the Issuer for the year ended on 31 December 2021 as included in the 2021 URD
<b>“Issuer’s 2022 Financial Statements”</b>		the audited consolidated financial statements of the Issuer for the year ended on 31 December 2022 as included in the 2022 URD
<b>“Joint Bookrunner”</b>	means	each of Credit Agricole Corporate and Investment Bank (China) Limited, Industrial and Commercial Bank of China Limited, Agricultural Bank of China Limited, DBS Bank (China) Limited, China Construction Bank Corporation, China International Capital Corporation Limited, China Securities Co., Ltd. and CITIC Securities Company Limited
<b>“Joint Lead Underwriter”</b>	means	each of Credit Agricole Corporate and Investment Bank (China) Limited, Industrial and Commercial Bank of China Limited, Agricultural Bank of China Limited, DBS Bank (China) Limited, China Construction Bank Corporation, China International Capital Corporation Limited, China Securities Co., Ltd. and CITIC Securities Company Limited

<b>“Lead Bookrunner”</b>	means	Bank of China Limited
<b>“Lead Underwriter”</b>	means	Bank of China Limited
<b>“Local Banks”</b>	means	the Caisses Locales de Cr�dit Agricole as defined by the French Monetary and Financial Code
<b>“Maturity Date”</b>	means	the maturity date for the Bonds, which is 14 July 2026
<b>“Moody’s”</b>	means	Moody’s Investors France SAS
<b>“MREL”</b>	means	the “minimum requirement for own funds and eligible liabilities” for banking institutions, set in accordance with Article 45 <i>et seq.</i> of the BRRD (as transposed under French law), Article 12 of the SRM and Commission Delegated Regulation (EU) No 2016/1450 of 23 May 2016 (as may be amended from time to time), or any successor requirement under the Applicable MREL/TLAC Regulations and/or the Applicable Banking Regulations
<b>“Offering Circular” or “this Offering Circular”</b>	means	this “Cr�dit Agricole S.A. 2023 Renminbi Bonds (Series 1) Offering Circular” prepared by the Issuer for the purposes of the offering of the Bonds which discloses to investors certain information relating to the Bonds
<b>“Other Subordinated Obligations”</b>	means	present and future direct, unconditional, unsecured and subordinated obligations of the Issuer whether in the form of notes or loans or otherwise, in each case ranking senior to tier 2 instruments and deeply subordinated obligations, but junior to unsubordinated obligations
<b>“outside the PRC”</b>	means	all countries and areas outside of China, and, for the purpose of this Offering Circular, including Hong Kong, the Macau Special Administrative Region and Taiwan Region
<b>“PBOC”</b>	means	People’s Bank of China, the central bank of China
<b>“PBOC Approval”</b>	means	the Decision on the Approval of Administrative Permits issued by the People’s Bank of China in relation to the issue of financial bonds by the Issuer in China

<b>“Post-issuance Manager”</b>	means	the institution responsible for overseeing the Issuer to perform its on-going obligations under the Bonds
<b>“Principal Underwriters”</b>	means	Lead Underwriter and Joint Lead Underwriters
<b>“Programme”</b>	means	the Renminbi Bonds Issuance Programme of Crédit Agricole S.A., under which the Issuer may, from time to time for a period of two years from the date of the PBOC Approval, issue Renminbi-denominated bonds in an aggregate principal amount of up to RMB10 billion.
<b>“Regional Banks”</b>	means	Caisses Régionales de Crédit Agricole Mutuel, as defined by the French Monetary and Financial Code
<b>“Regulated Entity”</b>	means	any entity referred to in Section I of Article L.613- 34 of the French Monetary and Financial Code as modified by the BRRD Implementation Decree Laws, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France
<b>“Regulation S”</b>	means	Regulation S under the U.S. Securities Act, as amended from time to time
<b>“Relevant Regulator”</b>	means	the ECB and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer
<b>“Relevant Resolution Authority”</b>	means	the ACPR, the Single Resolution Board established pursuant to the SRM and/or any other authority entitled to exercise or participate in the exercise of the Statutory Loss Absorption Powers from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the SRM)
<b>“Senior Non-Preferred Obligations”</b>	means	any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in Articles L.613-30-3-I-4 and R. 613-28 of the French Monetary and Financial Code

<b>“Senior Preferred Obligations”</b>	means	any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in Article L.613-30-3-I-3 of the French Monetary and Financial Code. For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to the entry into force of Article L.613-30-3-I-4 of the French Monetary and Financial Code constitute Senior Preferred Obligations of the Issuer.
<b>“SRM” or “Single Resolution Mechanism Regulation”</b>	means	Regulation (EU) No 806/2014 of the European Parliament and of the Council 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 (as amended or replaced from time to time, and notably, as from its entry into force on 27 June 2019, by Regulation (EU) No 2019/877 of the European Parliament and of the Council of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms)
<b>“Standard &amp; Poor’s”</b>	means	Standard & Poor’s Global Rating Europe Limited
<b>“Statutory Auditors”</b>	means	Ernst & Young et Autres and PricewaterhouseCoopers Audit
<b>“Statutory Loss Absorption Powers”</b>	means	any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of BRRD, including, without limitation, pursuant to the BRRD Implementation Decree Laws, the SRM, or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of the Bail-in Tool following placement in resolution or of write-down or conversion powers before a resolution proceeding is initiated or without a resolution proceeding, or otherwise

<b>“Terms”</b>	means	the terms of the Bonds as set out under the heading “Terms of the Bonds” in Section 5 “Terms of the Bonds and Offering Arrangements” and any reference to a particularly numbered Term shall be construed accordingly
<b>“Underwriter”</b>	means	the single entity, number of entities or all institutions responsible for underwriting the Bonds (as the context may determine)
<b>“Underwriting Agreement”</b>	means	the underwriting agreement entered into among the Issuer and the Principal Underwriters in relation to the offering of the Bonds, as may be amended by the parties from time to time
<b>“Underwriting Syndicate”</b>	means	the underwriting syndicate organized by the Principal Underwriters for the purpose of underwriting the Bonds, consisting of the Principal Underwriters and other Underwriters.
<b>“United States” or “US”</b>	means	United States of America
<b>“U.S. Securities Act”</b>	means	U.S. Securities Act of 1933, as amended from time to time
<b>“USD” or “US dollars”</b>	means	United States dollars, the lawful currency of the United States
<b>“Waived Set-Off Rights”</b>	means	the rights and claims as described in the Term (36) ( <i>Waiver of Set-off</i> )
<b>“Withholding”</b>	means	the withholding as described in the Term (28) ( <i>Taxation Consideration</i> )
<b>“Withholding Tax Event”</b>	means	the event as described in the Term (23) ( <i>Early Redemption</i> )

*Certain amounts and percentages included in this Offering Circular have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.*

## SECTION 2: SUMMARY OF THIS OFFERING CIRCULAR

*The issuance of the Bonds has been approved by the PBOC on 30 November 2021. The approval does not constitute any evaluation by the PBOC on an investment in the Bonds nor any assessment on the risks involved in an investment in the Bonds. An investor must, when purchasing the Bonds, carefully read this Offering Circular and the related information disclosure documents, conduct independent analysis of the truthfulness, accuracy and completeness of the disclosed information, make independent judgements on the investment value and bear any related investment risks.*

*This summary must be read as an introduction to this Offering Circular. Any decision to invest in any Bonds should be based on a consideration of this Offering Circular as a whole.*

### 1. Overview

#### Basic Information about the Issuer

Chinese name of the Issuer: 法国农业信贷银行

English name of the Issuer: Crédit Agricole S.A.

Registered Address of Crédit Agricole S.A.: 12, place des Etats-Unis, 92127 Montrouge Cedex, France

Contact: Aurélien Harff, Deputy Head of Crédit Agricole Group Medium and Long Term Funding

Tel: +33 (0) 141890130

Website: <https://www.credit-agricole.com/>

#### Ratings by International and Local Rating Agencies

Set forth below are the ratings assigned by international and local rating agencies to the Bank as at the date of this Offering Circular.

Rating Agency	Issuer Rating	Outlook
Moody's	Aa3	Stable
Standard & Poor's	A+	Stable
Fitch	A+	Stable
S&P Ratings China	AAA <sub>spc</sub>	Stable

#### General Description of the Issuer and the Group

The Issuer is a French Public Limited Company (*Société Anonyme*) with a Board of Directors governed by ordinary company law and more specifically by Book II of the French Commercial Code, which is also subject to the provisions of the French Monetary and Financial Code and more specifically Articles L. 512-47 et seq. thereof.

The Issuer was licensed as an authorised lending institution in the mutual and cooperative banks category on 17 November 1984. As such, it is subject to oversight by the banking supervisory authorities, and more particularly by the ACPR and the ECB. The Issuer's shares are admitted for trading on Euronext Paris. The Issuer is subject to the prevailing stock market regulations particularly with respect to public disclosure obligations.

As at 31 December 2022, the Issuer's total assets, net customer loans<sup>1</sup> and customer deposits<sup>2</sup> amounted to €2,167.6 billion, €1,057.4 billion and €1,112.1 billion, respectively. The Issuer's net income Group share decreased from €5,844 million in 2021 to €5,437 million in 2022, and revenues totalled €23,801 million in 2022 as compared to €22,657 million in 2021. The underlying return on tangible equity (RoTE) reached 12.6% in full-year 2022, a decrease of 0.5 percentage points compared to 2021.

As at 31 December 2022, the Group's total assets, net customer loans<sup>3</sup> and customer deposits<sup>4</sup> amounted to €2,379.1 billion, €1,228.7 billion and €1,248.0 billion, respectively. The net income Group share decreased from €9,101 million in 2021 to €8,144 million in 2022 and revenues totalled €38,162 million in 2022 as compared to €36,822 million in 2021.

In the first three months of 2023, the Issuer's net income Group share increased to €1,226 million from €571 million in the same period of 2022, and revenues totalled €6,121 million in the first three months of 2023 as compared to €5,584 million in the same period of 2022.

In the first three months of 2023, the Group's net income Group share increased to €1,669 million from €1,350 million in the same period of 2022, and revenues totalled €8,927 million in the first three months of 2023 as compared to €8,882 million in the same period of 2022.

## 2. Selected Historical Financial and Regulatory Data of the Group and the Issuer

### (1) Key Financial Indicators of the Group and the Issuer

#### *The Group*

The following table sets forth the Group's key financial figures for the periods indicated.

(in millions of euros)	For the year ended 31 December			For the three months ended	
				31 March	
	2020	2021	2022	2022	2023
	<i>(audited)</i>			<i>(unaudited)</i>	
Revenues	33,596	36,822	38,162	8,882	8,927
Gross operating income	11,768	13,741	13,709	3,005	3,018
Net income	5,193	9,953	8,873	1,536	1,872
<b>Net income group share</b>	<b>4,689</b>	<b>9,101</b>	<b>8,144</b>	<b>1,350</b>	<b>1,669</b>

(in billions of euros)	As at 31 December		
	2020	2021	2022
		<i>(audited)</i>	
Total assets	2,217.5	2,323.6	2,379.1

<sup>1</sup> Defined as loans and receivables net of impairments due from credit institutions (including Crédit Agricole internal transactions) and due from customers.

<sup>2</sup> Defined as due to credit institutions (including Crédit Agricole internal transactions) and due to customers.

<sup>3</sup> Defined as loans and receivables net of impairments due from credit institutions and due from customers.

<sup>4</sup> Defined as due to credit institutions and due to customers, including debt instruments issued to retail customers.

Total liabilities	2,091.0	2,189.8	2,245.3
Equity	126.5	133.7	133.8

### *The Issuer*

The following table sets forth Issuer's key financial figures for the periods indicated.

(consolidated data in millions of euros)	For the year ended 31 December			For the three months ended 31 March	
	2020	2021	2022	2022	2023
		(audited)		(unaudited)	
Revenues	20,500	22,657	23,801	5,584	6,121
Gross operating income	7,609	8,836	9,222	1,815	2,280
Net income	3,238	6,849	6,316	780	1,476
<i>Net income group share</i>	<i>2,692</i>	<i>5,844</i>	<i>5,437</i>	<i>571</i>	<i>1,226</i>

(consolidated data in billions of euros)	As at 31 December		
	2020	2021	2022
		(audited)	
Total liabilities and shareholders' equity	1,961.1	2,074.0	2,167.6
Loans and receivables due from credit institutions and customers	869.1	961.3	1,057.4
Due to credit institutions and customers	984.3	1,096.0	1,112.1
Equity, Group Share	65.2	68.2	64.6
Total shareholders' equity	73.5	76.9	73.5

For detailed information on the results of operations and financial condition of the Group and the Issuer, please refer to Section 8 "Selected Financial Information and Analysis of Financial Condition and Results of Operations" of this Offering Circular.

### (2) Key Regulatory Indicators

Group	As at 31 December						As at 31 March	
	2020		2021		2022		2023	
	Fully		Fully		Fully		Fully	
	Phased-in	loaded	Phased-in	loaded	Phased-in	loaded	Phased-in	loaded
CET1 ratio	17.2%	16.9%	17.5%	17.2%	17.6%	17.2%	17.6%	17.4%
Tier 1 ratio	18.3%	17.7%	18.4%	17.7%	18.6%	18.0%	18.9%	—
Total capital ratio	21.1%	20.4%	21.4%	20.4%	21.6%	20.7%	21.7%	—

Issuer	As at 31 December						As at 31 March	
	2020		2021		2022		2023	
	Fully		Fully		Fully		Fully	
	Phased-in	loaded	Phased-in	loaded	Phased-in	Fully loaded	Phased-in	loaded
CET1 ratio	13.1%	12.9%	11.9%	11.6%	11.2%	11.0%	11.6%	11.5%
Tier 1 ratio	14.9%	14.2%	13.2%	12.5%	13.0%	12.3%	13.6%	—



Total capital ratio	19.2%	18.5%	17.7%	16.4%	17.5%	16.3%	17.9%	—
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For detailed information on the regulatory indicators of the Group and the Issuer, please see Section 11 “Regulation and Governance of the Issuer” of this Offering Circular.

### **3. Basic Information of the Bonds**

The following section sets out a brief summary of the terms of the Bonds and is qualified in its entirety by the remainder of this Offering Circular. For a detailed description of the Bonds, see Section 5 “Terms of the Bonds and Offering Arrangements” of this Offering Circular.

#### **(1) Name of the Bonds**

Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1)

#### **(2) Issuer**

Crédit Agricole S.A.

#### **(3) Aggregate Principal Amount of the Bonds**

RMB1 billion.

#### **(4) Status of the Bonds**

The Bonds are Senior Preferred Obligations and constitute, with their interests, direct, unconditional, unsubordinated (senior) and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and with other Senior Preferred Obligations, and ranking:

- (i) senior to Senior Non-Preferred Obligations of the Issuer and any liabilities ranking junior to Senior Non-Preferred Obligations, and
- (ii) junior to all present and future claims benefiting from statutory preferences.

Notwithstanding anything to the contrary in the Terms, this Term (4) shall be governed by, and construed in accordance with, French law.

#### **(5) Unsecured**

The Bonds are unsecured.

#### **(6) No Negative Pledge**

There is no negative pledge in respect of the Bonds.

#### **(7) Form of the Bonds**

The Bonds will be issued in real name book-entry form, to be centrally held in custody by the Custody Institution designated by PBOC.

#### **(8) Tenor of the Bonds**

The tenor of the Bonds will be three (3) years.

## **(9) Use of Proceeds**

For the net proceeds from the offering of the bonds under the Program, (i) no less than 60% of the net proceeds will be retained in Renminbi and used onshore to support the Issuer's and its subsidiaries' business activities and development in the PRC; and (ii) no more than 40% of the net proceeds may be swapped to other currencies or retained in RMB to be used offshore for the general corporate purposes of the Issuer, subject to the offshore RMB funding needs of the Issuer and market conditions.

Notwithstanding the above, the net proceeds from the offering of the Bonds, i.e. the first issuance under the Programme, will be remitted offshore and used to support the Issuer's and its subsidiaries' business activities, subject to the satisfaction of the applicable requirements of the regulatory authorities and completion of the required procedures under the applicable PRC laws and regulations.

## **(10) Issue Price**

The Bonds will be issued at par value.

## **(11) Interest Basis**

The interest on the Bonds shall be fixed, based on an annual rate and calculated at simple interest, without any compounding.

If the interest on the Bonds is required to be calculated for any period shorter than a year, it will be calculated on the basis of the actual number of days in such period in respect of which payment is being made, divided by 365 days or, in a leap year, 366 days.

## **(12) Interest Rate**

The interest rate on the Bonds shall be fixed. The final interest rate shall be disclosed in an announcement made in accordance with the applicable rules and be determined by the Issuer and the Principal Underwriters after the Bookbuilding exercise in respect of the Bonds. The interest rate shall not change during the tenor of the Bonds.

## **(13) Interest Payment Dates for the Bonds**

Each interest payment date (the “**Interest Payment Date**”) is 14 July 2024, 14 July 2025 and 14 July 2026. If an Interest Payment Date is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid as a result of each such delay in payment.

## **(14) Maturity Date for the Bonds**

The Maturity Date is 14 July 2026. If the Maturity Date is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid on the principal of the Bonds as a result of any such delay in payment.

## **(15) Method of Payment of Principal and Interest**

Interest on the Bonds shall be paid on an Interest Payment Date. The principal of the Bonds shall be paid in one lump sum on the Maturity Date. The interest and principal payable in respect of the Bonds shall be made in accordance with the rules of the Custody Institution designated by PBOC, and shall be completed by the Custody Institution designated by PBOC.

If any Interest Payment Date or the Maturity Date is not a Business Day, the Bondholders will not be paid such interest or principal until the next following Business Day nor any interest or other sum in respect of such postponed payment. The Issuer shall, for so long as the Bonds are outstanding, at least five (5) Business Days prior to any Interest Payment Date or the Maturity Date (as the case may be), publish, or procure the publication of, an “Interest Payment Announcement” or “Redemption at Maturity Announcement” through the Designated Disclosure Methods. The interest and principal payable in respect of the Bonds shall be made in accordance with the rules of the Custody Institution, and shall be completed by the Custody Institution. Any payment made by or on behalf of the Issuer to the Custody Institution or its agent pursuant to the relevant agreement between the Issuer and the Custody Institution for the account of a person in whose name any of the Bond is, at the time such payment is made, registered in the register held by the Custody Institution, constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Bond in relation to which such payment was made.

#### **(16) Offering Method**

The Bonds will be offered by way of a public offering through Bookbuilding and placement.

#### **(17) Target Investors**

Any institutional investor on the Interbank Market unless otherwise restricted by the laws or regulations.

Offshore investors participating in the subscription or purchase of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Markets released by PBOC, as well as applicable rules issued by other relevant authorities.

For other information on target investors, please also refer to “Statements of the Issuer – Statement regarding the Selling Restrictions of the Issuer” and Section 13 “Selling Restrictions.”

#### **(18) Early Redemption**

Redemption of the Bonds prior to their Maturity Date may occur in the following circumstances, as further described in Term (23) (*Early Redemption*) in Section 5 of this Offering Circular:

- for tax reasons, including upon the occurrence of a Withholding Tax Event or of a Gross-Up Event; or
- for reasons of force majeure.

**(19) Put Events**

No investor has any right to require the Issuer to redeem the Bonds prior to their Maturity Date.

**(20) Credit Rating**

The Bonds were assigned a credit rating of AAA<sub>spc</sub> by the Credit Rating Agency on 4 July 2023.

**(21) Trading**

After the completion of the issue of the Bonds and confirmation of the rights and obligations relating to the Bonds, and upon completion of registration with the Custody Institution designated by PBOC, the Bonds can be traded on the Interbank Market in accordance with its rules.

**(22) Custody Institution**

The Shanghai Clearing House, as the Custody Institution designated by PBOC.

**(23) Taxation Considerations**

**(a) General provisions**

All payments in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges imposed or levied by or on behalf of the Republic of France, or any authority therein or thereof, having the power to tax, unless the withholding or deduction of such taxes is required by law (a “**Withholding**”).

**(b) Additional Amounts**

If there is a Withholding on any payment of interest in respect of the Bonds, the Issuer shall, to the fullest extent then permitted by law, pay such Additional Amounts as may be necessary in order that the Bondholders after such deduction or withholding, will receive the same amounts of interest as would have been received by them had no such withholding or deduction been required; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any payment of interest in connection with any Bond, as the case may be:

- (i) to, or to a third party on behalf of, a Bondholder who is subject to such taxes, duties, assessments or governmental charges in respect of the Bonds by reason of his having some connection with the Republic of France other than the mere holding of the Bonds; or

- (ii) where such withholding or deduction is imposed pursuant to FATCA.

**(24) Form of Underwriting**

The Bonds will be underwritten by the Principal Underwriters on a standby commitment underwriting basis pursuant to the Underwriting Agreement.

**(25) Governing Law**

The Bonds will be governed by, and construed in accordance with, the PRC law (save as otherwise indicated herein).

**(26) Dispute Resolution**

Any dispute arising out of or in connection with the Bonds shall be submitted to the China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration in Beijing to be conducted in accordance with the CIETAC Arbitration Rules in effect at the time of the submission of the dispute for arbitration. The arbitral tribunal shall consist of three (3) arbitrators. Each of the Issuer as a party and the Bondholders participating in the dispute as the other party may appoint any person, whether on the arbitrator list provided by CIETAC or not, as an arbitrator. Unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators, the third arbitrator shall be chosen by CIETAC. The arbitration proceedings shall be conducted in both English and Chinese. The arbitral award is final and binding upon all parties.

**(27) No Event of Default**

There are no events of default under the Bonds which would lead to an acceleration of such Bonds if certain events occur. However, if any judgment were issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer were liquidated for any other reason (*liquidation amiable*), then the Bonds would become immediately due and payable.

**(28) Modification, Waiver and Substitution**

The Issuer may, without the consent of the Bondholders, amend, modify, waive or delegate any matter:

- (i) where the amendment, modification, waiver or delegation does not prejudice the interests of the Bondholders (provided the proposed amendment, modification, waiver or delegation does not relate to a matter in respect of which an Extraordinary Resolution (as defined below) would be required if a meeting of Bondholders were held to consider such modification); or
- (ii) where the amendment or modification of the Bonds is of a formal, minor or technical nature or is made to correct a manifest error or where the amendment

or modification, waiver or delegation is made to comply with mandatory provisions of law.

Any such modification, authorisation or waiver shall be binding on the Bondholders. The Issuer shall publish the terms of the Bonds so modified in accordance with this term through the Designated Disclosure Methods, and the terms of the Bonds so modified shall become effective upon the expiration of thirty (30) days of the Issuer's publication of the modified terms in accordance with this term.

## **(29) Meetings of Bondholders**

*Investors may consider the provisions in Section 18 "Investor Protection Mechanism" of this Offering Circular relating to the convening of meetings of Bondholders to consider any matter affecting their interest, including the adoption of an Extraordinary Resolution or Special Quorum Resolution to amend the Terms of the Bonds or any other arrangements.*

### **(a) Definitions**

- (i) **"meeting"** means a meeting of Bondholders of the Bonds and include, unless the context otherwise requires, any adjournment.
- (ii) **"agent"** means a holder of a voting certificate or a proxy for, or representative of, a Bondholder.
- (iii) **"Ordinary Resolution"** means all resolutions, other than the Extraordinary Resolutions and Special Quorum Resolutions (both terms as defined below), passed at a meeting of the Bondholders duly convened and held in accordance with the Terms.
- (iv) **"Extraordinary Resolution"** means a resolution passed (a) at a meeting duly convened and held in accordance with this term by a majority of at least 75% of the votes cast or (b) by a Written Resolution (as defined below), in relation to the following matters, namely:
  - to sanction any proposal by the Issuer or any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer, whether or not those rights arise under the Bonds;
  - to assent to any modification of the Bonds proposed by the Issuer;
  - to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
  - to give any authority, direction or sanction required to be given by Extraordinary Resolution; and
  - to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders' interests and to confer on them any powers or discretions which the Bondholders could

themselves exercise by Extraordinary Resolution.

(v) “**Special Quorum Resolution**” means, the business of the meeting includes consideration of proposals, *inter alia*, to:

- amend Maturity Date or Interest Payment Date on the Bonds;
- reduce or cancel the principal amount of the Bonds;
- reduce the interest rate in respect of the Bonds or to vary the method or basis of calculating the interest rate or interest amount in respect of the Bonds;
- vary the currency or currencies of payment of principal or interest on the Bonds;
- modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass the Extraordinary Resolution;
- make any change in the ranking or priority of the Bonds that would materially adversely affect the Bondholders; or
- amend this provision.

(vi) “**Written Resolution**” means a resolution in writing signed by the holders of at least 75% in principal amount of the Bonds outstanding.

**(b) Quorum, Voting Requirements, Adjournment and Written Resolutions**

Purpose of the Meeting	Any meeting except for the meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum	Written Resolutions
Ordinary Resolution	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 10% in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing whatever the proportion of the Bonds	
	<b>Voting requirements:</b> not less than 50% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 50% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal

			amount of the Bonds outstanding
<b>Extraordinary Resolution</b>	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing a clear majority (50%) in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing whatever the proportion of the Bonds	
	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding
<b>Special Quorum Resolutions</b>	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 75% in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 25% in principal amount of the Bonds for the time being outstanding	
	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding

### (30) Statutory Write-Down or Conversion

#### (a) Acknowledgement



Notwithstanding any other term of the Bonds or any other agreement, arrangement or understanding between the Issuer and the holders of any Bond, by its acquisition of any Bond, each Bondholder (which for the purposes of this Term includes each holder of a beneficial interest in any Bond) acknowledges, accepts, consents and agrees:

- (i) to be bound by the effect of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - the reduction of all, or a portion, of the Amounts Due on a permanent basis;
  - the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the holder of the Bonds of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of such Bonds, in which case the holder of such Bonds agrees to accept in lieu of its rights under such Bonds any such shares, other securities or other obligations of the Issuer or another person;
  - the cancellation of the Bonds;
  - the amendment or alteration of the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the Terms are subject to, and may be varied, if necessary, to give effect to the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority.

**(b) Payment of Interest and Other Outstanding Amounts Due**

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of the Cr dit Agricole Group.

**(c) No Event of Default**

Neither a cancellation of the Bonds, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer, nor the exercise

of any Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Bonds will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the holder of such Bonds to any remedies (including equitable remedies) which are hereby expressly waived.

**(d) Notice to Bondholders**

Upon the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Bonds, the Issuer will publish an announcement through the Designated Disclosure Methods as soon as practicable regarding such exercise of the Statutory Loss Absorption Powers.

Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Statutory Loss Absorption Powers nor the effects on the Bonds described in this Term.

**(e) Duties of the Custody Institution**

Upon the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority, neither the Custody Institution nor the Post-Issuance Manager shall be required to take any directions from Bondholders.

**(f) Proration**

If the Relevant Resolution Authority exercises the Statutory Loss Absorption Powers with respect to less than the total Amounts Due, unless otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Bonds pursuant to the Statutory Loss Absorption Powers will be made on a *pro-rata* basis.

**(g) Conditions Exhaustive**

The matters set forth in this Term shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of Bonds.

**(31) Waiver of Set-Off**

No holder of any Bonds may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Bond) and each such holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Term is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation,

retention or counterclaim or that any such right is or would be available to any holder of any Bond but for this Term.

For the purposes of this Term, “**Waived Set-Off Rights**” means any and all rights of or claims of any holder of any Bond for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Bond.

#### **4. Risk Factors**

Prior to making an investment decision, each prospective investor should carefully consider the risk factors set out in this Offering Circular, including but not limited to the following risks:

- (a) Risks relating to the Issuer and its activity
- (b) Risks relating to the Bonds; and
- (c) Risks relating to cross-border offering.

Such factors may have a material adverse effect on the financial condition of the Issuer.

Prior to making an investment decision, each prospective investor should carefully consider all information set out in this Offering Circular and any other offering documents relating to the Bonds, including but not limited to the Issuer’s consolidated financial statements disclosed in connection with the offering of the Bonds.

#### **5. Enforcement of Arbitral Award**

The terms of the Bonds provide that any dispute arising from or in connection with the Bonds shall be submitted to CIETAC for arbitration in Beijing to be conducted in accordance with the CIETAC arbitration rules in effect at the time of the submission for arbitration. The terms of the Bonds further provide that the arbitral award shall be final and binding upon all parties.

The Issuer is a company incorporated under the laws of France and a substantial portion of its assets are located in France.

An arbitral award issued against the Issuer in accordance with Term (31) (*Dispute Resolution*) of the Bonds would be recognized and declared enforceable in the French Republic without a review of the merits through a procedure called “*procédure d’exequatur*” under Articles 1514 et seq. of the French Civil Procedure Code, following non-adversarial application (*requête*) made to the Paris Civil Court (*Tribunal judiciaire de Paris*), provided that the conditions required by French law for the granting of exequatur are met, such conditions being: (i) existence of the arbitral award is established by the party requesting the order and (ii) recognition or enforcement of the arbitral award would not manifestly contravene French international public policy provisions (*ordre public international*).

Appeal of such an exequatur order is available only on the grounds set forth in Article 1520 of the French Civil Procedure Code, which are the following:

- (i) the arbitral tribunal wrongly declared having jurisdiction or not having jurisdiction;

- (ii) the arbitral tribunal was irregularly constituted;
- (iii) the arbitral tribunal failed to render its decision in accordance with its mission;
- (iv) due process (*principe du contradictoire*) was violated; or
- (v) the recognition or enforcement of the arbitral award is contrary to international public policy provisions (*ordre public international*).

Enforcement of the arbitral award is not stayed pending appeal of the exequatur order, unless the President of the Court of Appeals orders otherwise pursuant to Article 1526 of the French Civil Procedure Code.

Enforcement of any arbitral award is subject to all applicable crisis prevention and management measures applicable to credit institutions, including any measure affecting equity holders' and/or creditors' rights in the context or outside of resolution or similar proceedings and bankruptcy, liquidation, winding-up, insolvency, reorganization, moratorium, or similar laws now or hereafter in effect affecting creditor's rights generally.

Those requirements and grounds for refusing recognition or enforcement are set forth in Section 3 "Status of the Bonds."

Therefore, there is no assurance that the arbitral award rendered by CIETAC against the Issuer can be successfully enforced.

### SECTION 3: STATUS OF THE BONDS

The Bonds are Senior Preferred Obligations and constitute, with their interests, direct, unconditional, unsubordinated (senior) and unsecured obligations of the Issuer *ranking pari passu* without any preference among themselves and with other Senior Preferred Obligations, and ranking:

- (i) senior to Senior Non-Preferred Obligations of the Issuer and any liabilities ranking junior to Senior Non-Preferred Obligations; and
- (ii) junior to all present and future claims benefiting from statutory preferences.

For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to the entry into force of Article L.613-30-3-I-4 ° of the French Monetary and Financial Code constitute Senior Preferred Obligations of the Issuer. For more information on the status of the Bonds, please refer to Term (4) of the Bonds and Section 11 “*Regulation and Governance of the Issuer – Government Supervision and Regulation of Credit Institutions in France – Resolution Measures*” and Section 11 “*Regulation and Governance of the Issuer – Government Supervision and Regulation of Credit Institutions in France – MREL and TLAC.*”

## SECTION 4: RISK FACTORS

*Prior to making an investment decision, each prospective investor should carefully consider the following risk factors, along with the other information disclosed in this Offering Circular. All of these factors may have a material adverse effect on the Issuer or the Bonds.*

### **1. Risks relating to the Issuer and its activity**

Risks specific to the Cr dit Agricole Group's business are presented in this section under the following six categories: (i) credit risks and counterparty risks, (ii) financial risks, (iii) operational risks and associated risks, (iv) risks related to the environment in which the Cr dit Agricole Group operates, (v) risks related to the strategy and transactions of the Cr dit Agricole Group, and (vi) risks related to the structure of the Cr dit Agricole Group.

Within each of the six categories, the risks that the Cr dit Agricole Group currently considers to be most significant, based on an assessment of likelihood of occurrence and potential impact, are presented first. However, even a risk that is currently considered to be less important could have a significant impact on the Cr dit Agricole Group if it were to materialise in the future.

Bearing in mind the structure of the Cr dit Agricole Group, and, in particular, the legal mechanism for internal financial solidarity provided for in Article L.511-31 of the French Monetary and Financial Code, the risks relating to the Issuer are those relating to the Cr dit Agricole Group as described in the A01 to the 2022 URD and any update as applicable. These risk factors are described below.

#### **(1) Credit and counterparty risks**

##### ***(a) The Cr dit Agricole Group is exposed to the credit risk of its counterparties***

The risk of insolvency of its customers and counterparties is one of the main risks to which the Cr dit Agricole Group is exposed. Credit risk impacts the Cr dit Agricole Group'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 companies, governments and their various entities, investment funds, or individuals. The level of counterparty defaults may increase compared to recent historically low levels; the Cr dit Agricole Group may be required to record significant charges and provisions for possible bad and doubtful loans, affecting its profitability.

While the Cr dit Agricole Group 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, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, the Cr dit Agricole Group is exposed to the risk of default by any party providing the credit risk hedging (such as a counterparty in derivatives) or to the risk of loss of value of the collateral. In addition, only a portion of the Cr dit Agricole

Group's overall credit risk is covered by these techniques. Accordingly, the Crédit Agricole Group has significant exposure to the risk of counterparty default.

As at 31 December 2022, the exposure of the Crédit Agricole Group to credit and counterparty risk (including dilution risk and settlement delivery risk) was €2,127.2 billion before taking into account risk mitigation methods. This is distributed as follows: 38% retail customers, 30% corporates, 20% governments and 7% credit institutions and investment firms. Moreover, the amounts of risk-weighted assets (RWAs) relating to credit risk and counterparty risk to which the Crédit Agricole Group is exposed were €464.7 billion and €24.5 billion, respectively, as at 31 December 2022. At that period-end, the gross amount of loans and receivables in default was €24.9 billion.

***(b) Any significant increase in provisions for loan losses or changes in the Crédit Agricole Group's estimate of the risk of loss in its loan book and receivables portfolio could adversely affect its results and financial position***

In connection with its lending activities, the Crédit Agricole Group periodically recognises doubtful loan expenses, whenever necessary, to reflect actual or potential losses in respect of its loan book and receivables portfolio, which are recognised in profit or loss account under "cost of risk". The Crédit Agricole Group's overall level of such asset impairment provisions is based upon its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, statement of loans, economic conditions and other factors related to the recoverability of various loans, or scenario-based statistical methods applicable collectively to all relevant assets. Although the Crédit Agricole Group seeks to establish an appropriate level of provisions, its lending businesses may cause it to have to increase its provisions for doubtful loans in the future as a result of increases in non-performing assets or for other reasons (such as macroeconomic or sectoral changes), such as deteriorating market conditions or factors affecting particular countries or industry sectors notably in the current environment of crisis. Recent price tensions and the availability of energy and commodities could more particularly affect the solvency of certain customer segments (SMEs, professionals) or financed business sectors that are particularly sensitive to the level of these prices or their volatility (French agricultural sector, production and trading of commodities) by degrading their profitability and their cash flow or by causing interruptions in their activity. Any significant increase in provisions for doubtful loans or a significant change in Crédit Agricole S.A.'s estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the charges recorded with respect thereto, could have an adverse effect on the Crédit Agricole Group's results of operations and financial position.

As at 31 December 2022, the gross outstanding loans, receivables and debt securities of the Crédit Agricole Group were €1,398 billion. With regard to credit risk, the amounts of reserves, accumulated impairments and related adjustments amounted to €20.7 billion. The

cost of risk on outstandings of Crédit Agricole Group for the year 2022<sup>5</sup> was 25 basis points.

***(c) A deterioration in the quality of corporate debt obligations could adversely impact the Crédit Agricole Group's results***

The credit quality of corporate 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. If a trend towards deterioration in credit quality were to appear, the Crédit Agricole Group may be required to record asset impairment charges or to write off the value of its corporate debt portfolio, which would in turn impact the Crédit Agricole Group's profitability and financial position.

As at 31 December 2022, the Crédit Agricole Group's gross exposure to sectors other than financial and insurance activities; public administration and defence, compulsory social security; and administrative and support service activities amounted to €413.3 billion (of which €14.1 billion in default) and were subject to accumulated impairments of €11.2 billion.

***(d) The Crédit Agricole Group may be adversely affected by events impacting sectors to which it has significant exposure***

Crédit Agricole Group's credit exposures are very diversified due to its comprehensive customer-focused universal banking model activities undertaken through both the LCL and CA Italia networks. The Crédit Agricole Group is mainly exposed to the retail bank with the network of regional banks, the network of LCL and through CA Italia. At end December 2022, the share of retail customers in the Crédit Agricole Group's total portfolio of commercial lending was 44%, or €777.5 billion. Moreover, the Crédit Agricole Group is subject to the risk that certain events may have a disproportionately large impact on a particular sector to which it is significantly exposed. As at 31 December 2022, 19% of the Crédit Agricole Group's total portfolio of commercial lending involved borrowers in the public sector (including local authorities), representing an amount of approximately €329.8 billion, and 5.5% of borrowers in the energy sector, representing an amount of approximately €98.1 billion. Public sector borrowers can be affected by national and local budgetary policies and spending priorities. Borrowers in the energy sector are exposed to volatile energy prices and those who are large energy users. If these sectors were to experience adverse conditions, the Crédit Agricole Group's profitability and financial position could be adversely affected.

***(e) The soundness and conduct of other financial institutions and market participants could adversely affect the Crédit Agricole Group***

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<sup>5</sup> The cost of risk on outstandings is calculated by dividing the cost of risk on trade receivables recorded over four quarters on a rolling basis by the average outstandings at the beginning of the four quarters.



The Cr dit Agricole Group’s ability to engage in financing or investment activities and derivative transactions could be adversely affected by a deterioration of the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults by, or even rumours or questions about, one or more financial services institutions, or the loss of confidence in the financial services industry generally, may lead to market-wide liquidity contractions and could lead to further losses or defaults. The Cr dit Agricole Group has exposure to many counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional customers with which it regularly executes transactions. Many of these transactions expose the Cr dit Agricole Group to credit risk in the event of default or financial distress. In addition, the Cr dit Agricole Group’s credit risk may be exacerbated when the collateral held by the Cr dit Agricole Group cannot be disposed of or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to it.

As at 31 December 2022, the total amount of the Cr dit Agricole Group’s gross exposure to counterparties that are credit institutions and related entities was €138.3 billion, of which €97.9 billion was using the internal ratings-based method.

***(f) The Cr dit Agricole Group is exposed to country risk and may be vulnerable to concentrated counterparty risk in certain countries where it operates***

The Cr dit Agricole Group is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given country in which it operates will affect its financial interests. The Cr dit Agricole Group 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. The Cr dit Agricole Group is especially exposed in absolute value to the country risk for France and Italy. At 31 December 2022, the Group’s commercial lending amounted to €1,301.5 billion in France and €139.5 billion in Italy, representing 72% and 8%, respectively, of the Cr dit Agricole Group’s total exposure over the period.

Adverse conditions that particularly affect these countries would have a significant impact on the Cr dit Agricole Group. In addition, the Cr dit Agricole Group 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.

At end-2022, commercial lending (including to bank counterparties) to Cr dit Agricole Group customers in countries with ratings below A3 (Moody’s) or A- (Standard & Poor’s), excluding countries in Western Europe (Italy, Spain, Portugal, Greece, Cyprus and Iceland), totalled €71.9 billion.

The Cr dit Agricole Group remains directly and indirectly exposed in Ukraine and Russia:

- In Ukraine, Crédit Agricole Ukraine's commercial lending amounted to €961 million at 31 December 2022, of which €842 million was outstanding on the balance sheet, financed locally. The risks on these exposures were provisioned up to €323 million as at 31 December 2022 (including a provision of €195 million made as at 31 March 2022 at the level of Crédit Agricole S.A.).
- In Russia, the Group has stopped all financing of Russian corporates since the start of the conflict as well as all commercial activity in the country. However, the Group is directly and indirectly exposed in Russia due to its pre-conflict activities and has recorded provisions on performing loans in the first quarter of 2022 in accordance with IFRS. Exposures recognised in the CACIB AO subsidiary (on-shore exposures) represented the equivalent of €0.2 billion at 31 December 2022 compared to €0.5 billion at 31 December 2021. The change over the period can be explained by a gradual reduction in outstandings, particularly deposits with the Central Bank of Russia. The subsidiary's equity amounted to around €151 million equivalent, including around €74 million in equity and €77 million in subordinated debt as at 31 December 2022 (the amount of equity remained stable overall throughout 2022).

Exposures recognised outside CACIB AO (offshore exposures<sup>6</sup>) represented the equivalent of €2.9 billion as at 31 December 2022 (€2.7 billion of which is recorded on the balance sheet<sup>7</sup>). They were down -€1.5 billion from 31 December 2021 and down -€1.8 billion from the start of the conflict in late February. The off-balance-sheet portion of the offshore exposures (documentary credits, financial guarantees and, to a lesser extent, undrawn confirmed credit facilities) amounted to €0.2 billion as at 31 December 2022, down sharply by -€1.4 billion since the outbreak of the conflict.

As a result of the conflict and the international sanctions that followed, the quality of the portfolio (rated at 96% investment grade at 31 December 2021, consisting mainly of large Russian corporates, including commodities producers and exporters) was downgraded in the Group's internal rating scale at 31 March 2022. Thus, from the first quarter of 2022, exposures were subject to significant provisioning, mainly on performing exposures, which was then updated throughout the year. Overall, the cost of risk for 2022 relating to Russian exposures amounted to €536 million, including €374 million relating to performing exposures (Stages 1 and 2) and €162 million relating to specific provisions (Stage 3).

The Russian exposure of Indosuez Wealth Management represented €220 million at 31 December 2022, a slight decrease from 31 December 2021 (equivalent to €250 million).

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<sup>6</sup> On- and off-balance sheet commercial lending of customers and banks, net of the guarantees of export credit agencies, excluding the fluctuation risk.

<sup>7</sup> Used portion of credit facilities.

The fluctuation risk <sup>8</sup> associated with derivative transactions has now been considerably reduced and amounted to €0.6 million at 31 December 2022 (compared to €60 million at 31 December 2021).

Overall, these exposures, of limited size (0.7% of the total exposures of Crédit Agricole CIB at 31 December 2022) continue to be monitored closely.

***(g) The Crédit Agricole Group is subject to counterparty risk in the conduct of its market activities***

The Crédit Agricole Group could suffer losses in the event of a counterparty defaulting in its securities, currency, commodities and other market activities. When the Crédit Agricole Group holds portfolios of debt securities, including in the context of its market making activities, it is subject to the risk of deterioration in the credit quality of issuers or default. As part of its trading activities, the Crédit Agricole Group is exposed to the risk of a counterparty defaulting in the execution of its transaction settlement obligations. The Crédit Agricole Group's derivatives activities are also subject to the risk of a counterparty default, as well as to significant uncertainty regarding the amounts due in the event of such a default. The risk-weighted assets (RWAs) corresponding to the counterparty risk on derivatives and deferred settlement transactions and indicated in Pillar 3 were €11.9 billion at 31 December 2022. Although the Crédit Agricole Group often obtains collateral or makes use of compensation rights to deal with these risks, these techniques may not be sufficient to ensure complete protection, and the Crédit Agricole Group may incur significant losses due to the failure of major counterparties. In addition, forward foreign exchange transactions were contracted with Russian counterparties. The market value of these transactions, which are sensitive to the ruble/dollar parity, was nevertheless not significant at 31 December 2022.

**(2) Financial risks**

***(a) The Crédit Agricole Group's profitability and financial position may be impacted by the end of the low interest rate environment***

Since the beginning of 2022, there has been an interest rate hike after years of low interest rates. In this context, Crédit Agricole S.A.'s results have been and could continue to be significantly affected by the increased cost of its resources (increase in the compensation paid on liabilities, including regulated liabilities, under the combined effect of a rise in short-term rates and a lasting increase in inflation, or a risk of arbitrage by customers of non-remunerated liabilities, but also by the increase in the cost of market resources), and by the risk of the increase in market rates being passed on partially or in a deferred manner to originated loans under the combined effect of a possible decrease in new production, increased competition, and the usury rate mechanism impacting the net interest margin. For example, LCL's housing loan rates increased by around 1% between the fourth quarter of 2022 and the fourth quarter of 2021 while over the same period swap rates of the same maturity increased by more than 2% from the first half of the year 2022.

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<sup>8</sup> The fluctuation risk corresponds to the amount at risk, the immediate loss given default, including any margin calls.

Moreover, inflation has become the focus of attention again. Its sharp acceleration was the result of a combination of several factors: upstream pressure with marked increases in commodity prices and bottlenecks at the end of the Covid crisis, downstream tension from the strong upturn in household consumption driven by significant financial support and high levels of savings in the wake of the 2020 health crisis, base effects following very low levels of inflation in 2020 and the beginning of 2021, and new and very strong pressures on commodity prices, particularly energy prices, following the war in Ukraine. While supply remained constrained at the end of the crisis (shortage in labour and goods), the normalisation of demand led to an increase in prices in specific sectors, in particular those that were previously hit hard by the pandemic (hotels, restaurants and automotive). The energy shock of the war in Europe and the gradual spread of imported inflation took over.

In addition to the indirect impacts relating to the consequences on interest rates, this inflation-related pressure could have a significant direct impact on Crédit Agricole S.A.'s expenses. (salaries, purchases) and consequently on its financial results.

***(b) Any unfavourable change in the yield curve affects or could affect the Crédit Agricole Group's consolidated revenues or profitability***

The Crédit Agricole Group is one of the leaders<sup>9</sup> in retail banking and is therefore exposed, via the Regional Banks, LCL, to changes in interest rates, with a combined market share of over 27%<sup>10</sup> in France.

The amount of the net interest margin earned by the Crédit Agricole Group during any given period significantly affects its overall consolidated revenues and profitability for that period. Interest rates are highly sensitive to many factors beyond the Crédit Agricole Group's control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing debt. Any adverse change in the yield curve could cause a decline in both the Crédit Agricole Group's net interest margin from its lending activities and its economic value.

Sensitivity to the net interest income below is calculated with a pass-through rate<sup>11</sup> of 100% of market rate variations applied to variable-rate assets and liabilities (for all floating rate instruments already on the balance sheet, and only for new transactions for fixed rate instruments) and demand deposits maintained at their current high level. In fact, the variation in the net interest margin would materialise more gradually than the results presented below would suggest.

**Analysis in terms of economic value**

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<sup>9</sup> Internal sources, ECO studies.

<sup>10</sup> Total households, ECO studies.

<sup>11</sup> The pass-through rate is the sensitivity of customer rates to a market rate variation.

As at the end of December 2022, if interest rates in the main areas in which the Cr dit Agricole Group is exposed<sup>12</sup> were to fall, this would have a positive impact of up to €3.2 billion on the economic value<sup>13</sup> of the Cr dit Agricole Group; conversely, as at the end of December 2022, an increase in interest rates in the main areas in which the Cr dit Agricole Group is exposed would have a negative impact of up to -€10.2 billion on its economic value. These impacts are calculated based on a balance sheet phased out over the next 30 years, meaning they do not take into account future production and do not include any dynamic impact from a change of positions on the balance sheet. The average maturity of deposits without contractual maturity (demand deposits and savings books) outside financial institutions is limited to five years; The balance sheet being used excludes equity and shareholdings in compliance with regulations governing interest rate risk (Supervisory Outlier Test).

#### Net interest margin analysis

Sensitivity below is calculated with a pass-through rate of 50% applied to home loans and a 25% migration of non-remunerated to demand deposits to passbook deposits and considering a one-, two- and three-year horizon and assuming a constant balance sheet (i.e. an identical renewal of maturing transactions), at end-December 2022, in the event of a -50 basis point drop in interest rates in the main areas where the Cr dit Agricole Group is exposed<sup>14</sup>, the Cr dit Agricole Group's net interest margin would fall by -€0.4 billion in year one, -€0.7 billion in year two and -€1.0 billion in year three. Conversely, in the event of an increase in interest rates of +50 basis points in the main areas where the Cr dit Agricole Group is exposed, the Cr dit Agricole Group's net interest margin would increase by +€0.5 billion in year one, +€0.7 billion in year two and +€1.0 billion in year three.

With a pass-through rate of 100% applied to housing loans, the sensitivities in year 1, year 2 and year 3 would be respectively -€0.6 billion, -€1.1 billion and -€1.5 billion for a parallel downward shock scenario, and respectively +€0.7 billion, +€1.1 billion and +€1.5 billion for a parallel upward shock scenario.

These impacts do not take into account the lagged effects of past rate increases. Moreover, in France, in the context of a sharp rise in interests rates observed in 2022, assets' pass-through rate was limited by the fixed rate model and by the usury rate. In practise, it was around 20% (instead of 50%). On liabilities, regulated savings rates have risen not only with rising rates but also with inflation, and the bank's ALM is not able to fully cover this risk. In this context, the sensitivity of income to rising rates was significantly lower in 2022 than the figure posted in the 2021 URD. Between the two approaches, sensitivities are reversed: the economic value of Cr dit Agricole Group. falls if interest rates rise, while the net interest margin increases.

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<sup>12</sup> The interest rate shocks used correspond for the economic value analysis to the regulatory scenarios, namely +/-200 bps in the euro zone and in the United States and +/-100 bps in Switzerland, and for the net interest margin analysis at a uniform shock of +/-50 bps.

<sup>13</sup> Net present value of the current balance sheet from which the value of equities and fixed assets is excluded.

<sup>14</sup> Total households, ECO studies.

The fall in economic value in the event of a rate hike is due to a generally higher volume of fixed-rate assets than fixed-rate liabilities on future maturities. The overall sensitivity of the assets in stock to fluctuations in interest rates is therefore higher than that of the liabilities in stock.

Conversely, the net interest margin increases if interest rates rise, as the sensitivity of renewed assets to rate changes is higher than that of renewed liabilities, due to the fact that liabilities include equity and retail customer resources (demand deposits and regulated savings), which are not sensitive to interest rate increases. For asset/liability sensitivities, the renewals taken into account in the net interest margin simulations overcompensate the stock. The Cr dit Agricole Group's results could also be affected by a change in rates, both upwards and downwards, if hedges prove ineffective from an accounting perspective.

Finally, any rate increase that is sharper or more rapid than expected could i) threaten economic growth in the European Union, the United States and elsewhere, ii) test the resistance of loan and bond portfolios, and iii) lead to an increase in doubtful loans and defaults. More generally, the ending of accommodative monetary policies may lead to severe corrections in certain markets or assets (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefited from the prolonged low interest rate and high liquidity environment. Such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility. The Cr dit Agricole Group's operations could as a result be significantly disrupted, and, consequently, its business, results of operations and financial position could experience a material adverse effect.

***(c) The Cr dit Agricole Group may generate lower revenues from its insurance, asset management, asset servicing, brokerage and other businesses during market downturns***

In the year of 2022, market downturns have reduced the value of customer portfolios with subsidiaries specialised in asset management, insurance, asset servicing and wealth management and reduced the amount of inflows, thus reducing the Cr dit Agricole Group's revenues from these activities. Over the course of 2022, 11%, 8% and 3% of the Cr dit Agricole Group's revenues were generated from its asset and wealth management and insurance businesses, respectively. The Cr dit Agricole Group is the leading insurer in France, through Cr dit Agricole Assurances<sup>15</sup>. Amundi's assets under management stood at €1,904 billion at the end of December 2022, and Cr dit Agricole Assurances' assets under management stood at €321 billion at the end of December 2022. Future downturns could have similar effects on the Cr dit Agricole Group's results and financial position.

The management fees and commissions that the subsidiaries charge their customers are generally based on the value or performance of those portfolios, therefore any market downturn could impact the revenues earned for these services.

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<sup>15</sup> Source: L'Argus de l'assurance.

Furthermore, even in the absence of a market downturn, any belowmarket performance by the Cr dit Agricole Group's undertaking for collective investment and life insurance products may result in increased withdrawals and reduced inflows, which would reduce Cr dit Agricole Group's revenues from its asset management and insurance businesses.

Moreover, financial and economic conditions affect the number and size of transactions for which the Cr dit Agricole Group provides securities underwriting, financial advisory and other corporate and investment banking services. Cr dit Agricole S.A.'s revenues, which include fee and commission income from these services, are directly related to the number and size of the transactions in which the Cr dit Agricole Group participates and can thus be significantly affected by market downturns.

***(d) Adjustments to the carrying amount of the Cr dit Agricole Group's securities and derivatives portfolios and the Cr dit Agricole Group's own debt could have an impact on its net income and equity***

The carrying amount of the Cr dit Agricole Group's securities and derivatives portfolios and certain other assets, as well as that of its own debt, in its balance sheet are adjusted as at each financial statement date. In addition, the financial investment portfolios held by CA Assurances for its own account in connection with certain savings products (euro funds) are also subject to adjusted valuations at each financial statement date. The carrying amount adjustments reflect, among other things, the credit risk inherent in the Cr dit Agricole Group's own debt and variations in value in the fixed income and equity markets. Most of the adjustments are made on the basis of changes in fair value of the assets or liabilities of the Cr dit Agricole Group during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recognised in the income statement, to the extent not offset by opposite changes in the fair value of other assets, affect the consolidated net income of the Cr dit Agricole Group. All fair value adjustments affect shareholders' equity and, as a result, the capital adequacy ratios of the Cr dit Agricole Group. 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 2022, the gross outstanding debt securities held by the Cr dit Agricole Group were  149.2 billion. Accumulated impairments and reserves and negative fair value adjustments due to credit risk were  196 million.

In addition, CA Assurances holds a bond portfolio corresponding to its liability commitments and in particular guarantees granted to policyholders (mainly Euro-denominated contracts - excluding unlinked policies and UCITS - and personal risk insurance) which also generates carrying amount adjustments recorded in the income statement or directly in shareholders' equity.

***(e) The Cr dit Agricole Group is exposed to risks associated with changes in market prices and volatility with respect to a wide number of market parameters***

The Cr dit Agricole Group'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 the Cr dit Agricole Group operates. Adverse changes in market, economic or geopolitical conditions could create a challenging operating environment for financial institutions. The Cr dit Agricole Group is therefore highly exposed to the following risks: fluctuations in interest rates, share prices, foreign exchange rates, the premium applicable to bond issues (including those of the Cr dit Agricole Group) and the price of oil and precious metals. To measure the potential losses associated with these risks, the Cr dit Agricole Group uses a Value at Risk (VaR) model. The Group's VaR as at 31 December 2022 was  15 million.

The Cr dit Agricole Group also carries out stress tests in order to quantify its potential exposure in extreme scenarios. These techniques are based on hypothetical or historical approaches from which future market conditions may differ significantly. Accordingly, the Cr dit Agricole Group's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

The amount of risk-weighted assets (RWAs) relating to the market risk to which the Cr dit Agricole Group is exposed was  14.8 billion as at 31 December 2022.

Furthermore, the Cr dit Agricole Group is sensitive to the potential market volatility that would be generated by concerted action by investors via a social networking platform to inflate the share price of certain issuers or certain commodities. These activities, whether or not the Cr dit Agricole S.A. share is the target, can create uncertainty regarding valuations and lead to unpredictable market conditions, and could have an adverse impact on the Cr dit Agricole Group and its counterparties.

***(f) The Cr dit Agricole Group may suffer losses in connection with its holdings of equity securities***

The value of the equity securities held by the Cr dit Agricole Group could decline, resulting in losses for the Cr dit Agricole Group. The Cr dit Agricole Group bears the risk of a decline in value of equity securities in connection with its market-making and trading activities, mainly with respect to listed equity securities, in its private equity business, and in connection with transactions in which it acquires strategic equity investments in a company with a view to exercising control and influencing the management policies of the Cr dit Agricole Group. In the case of strategic equity investments, the Cr dit Agricole Group's degree of control may be limited, and any disagreement with other shareholders or with management may adversely impact the ability of the Cr dit Agricole Group to influence the policies of the relevant entity. If the Cr dit Agricole Group's equity securities decline in value significantly, the Cr dit Agricole Group may be required to record fair value adjustments or recognise asset impairment charges in its consolidated financial statements, which could negatively impact its results of operations and financial position.

As at 31 December 2022, the Cr dit Agricole Group held close to  53.2 billion in equity instruments, of which  42.9 billion were recorded at fair value through profit or loss;  5.5 billion were held for trading purposes and  4.8 billion in equity instruments recognised at fair value through equity.



***(g) The Crédit Agricole Group must ensure adequate asset and liability management in order to control the risk of loss; however, prolonged market downturns could reduce liquidity, making it more difficult to dispose of assets and could result in significant losses***

The Crédit Agricole Group is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on many of the Crédit Agricole Group's assets is uncertain and, if the Crédit Agricole Group receives lower revenues than expected at a given time, it might require additional funding from the market in order to meet its obligations on its liabilities. While the Crédit Agricole Group imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.

The Crédit Agricole 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. As at 31 December 2022, Crédit Agricole Group had an LCR (Liquidity Coverage Ratio – the regulatory prudential ratio to ensure the short-term resilience of the liquidity risk profile) of 167.3%<sup>16</sup>, higher than the regulatory minimum of 100% and exceeding the target of 110% under the Medium-Term Plan, and an NSFR (Net Stable Funding Ratio – the regulatory prudential ratio to ensure the long-term resilience of the liquidity risk profile) of 118.0%, higher than the regulatory minimum and the target of 100% under the Medium-Term Plan.

In some of the Crédit Agricole Group's business activities, notably its market, asset management and insurance activities, it is possible that protracted market movements, particularly asset price declines, reduce the level of activity in the market or reduce market liquidity. Such developments can lead to material losses if the Crédit Agricole Group cannot close out deteriorating positions in a timely manner. This may especially be the case of not very liquid assets held by the Crédit Agricole Group.

Assets that are not traded on stock exchanges or other regulated markets, such as certain derivatives, may have values that Crédit Agricole S.A. calculates using models other than publicly quoted prices. Crédit Agricole S.A. is exposed to the risk of changes in the value of products valued in this way, including when the valuation parameters are not observable parameters within the meaning of IFRS 13, and could consequently incur unanticipated losses.

***(h) The Crédit Agricole Group's hedging strategies may not eliminate all risk of losses***

If an instrument or strategy that the Crédit Agricole Group uses to hedge its exposure to various types of risk in its businesses is not effective, the Crédit Agricole Group may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Crédit Agricole Group holds a long position in an asset, it may hedge that position by taking a short position in an asset where the short position has historically moved in a direction that would offset a change in the value of the long position. The

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<sup>16</sup> Average LCR at end-December 2021.

Crédit Agricole Group may only be partially hedged, however, or these strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Crédit Agricole Group's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Crédit Agricole Group's reported earnings.

At 31 December 2022, the notional amount of protection bought in the form of credit derivatives was €6.5 billion (€7.2 billion at 31 December 2021), the notional amount of short positions was zero at 31 December 2020.

### **(3) Operational risks and associated risks**

The operational risk and associated risks of the Crédit Agricole Group include non-compliance risk, legal risk and the risks generated by outsourced services. Over the period from 2020 to 2022, operational risk incidents for the Crédit Agricole Group were divided as follows: the "Implementation, delivery and process management" category represents 25% of the operational loss, the "Customers, products and business practices" category represents 10% of the operational loss, and the "External fraud" category represents 41% of the operational loss. Other operational risk incidents can be broken down into employment and safety practice (9%), internal fraud (11%), business disruptions and system failures (2%). In addition, the amount of risk-weighted assets (RWAs) relating to operational risk to which the Crédit Agricole Group is exposed was €60.3 billion as at 31 December 2022.

#### ***(a) The Crédit Agricole Group is exposed to fraud risk***

Fraud is defined as an intentional act carried out with the aim of obtaining a material or immaterial advantage to the detriment of a person or an organisation, perpetrated by violating laws, regulations or internal rules or by infringing the rights of others or by concealing all or part of an operation or set of operations or their characteristics.

At the end of 2022, the amount of proven fraud for Crédit Agricole Group was €148.5 million, representing a decrease of -2% compared with 2021 (€151 million).

Consumer finance, retail banking in France (LCL and Régional banks) and internationally accounted for 92% of total fraud (excluding exceptional cases).

Excluding exceptional files, the risk breakdown for fraud is as follows:

- payment instrument fraud (electronic payment, transfers and cheques): 37%;
- identity and documentary fraud: 34%;
- robbery: 8%;
- PSA/NPAI: 8%;
- others: 13%.

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 customers. The consequences of these fraud risks could prove to be significant.

***(b) The Cr dit Agricole Group is exposed to risks related to the security and reliability of its information systems and those of third parties***

Technology is at the heart of the activity of the banks in France, and the Cr dit Agricole Group continues to deploy its multichannel model as part of a lasting relationship with its customers. In this context, the Cr dit Agricole Group is subject to cyber risk, which is the risk caused by a malicious and/or fraudulent act, perpetrated digitally in an effort to manipulate data (personal, banking/insurance, technical or strategic data), processes and users, with the aim of causing material losses to companies, their employees, partners and customers. Cyber risk has become a top priority in the field of operational risks. A company's data assets are exposed to new, complex and evolving threats which could have material financial and reputational impacts on all companies, and specifically on banking institutions. Given the increasing sophistication of criminal enterprises behind cyber-attacks, regulatory and supervisory authorities have begun highlighting the importance of risk management in this area.

As with most other banks, the Cr dit Agricole Group relies heavily on communications and information systems throughout the Group to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in its customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. If, for example, the Cr dit Agricole Group's information systems failed, even for a short period of time, it would be unable to serve in a timely manner certain customers' needs and could thus lose business opportunities. Likewise, a temporary shutdown of the information systems of the Cr dit Agricole Group, even though it has back-up recovery systems and contingency plans, could result in considerable costs required for information retrieval and verification. The Cr dit Agricole Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have an adverse effect on its financial position and results of operations.

The Cr dit Agricole Group 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. The Cr dit Agricole Group is also at risk in the event of a failure of an external information technology service provider, such as a cloud data storage company. As its interconnectivity with its customers grows, the Cr dit Agricole Group may also become increasingly exposed to the risk of operational failure of its customers' information systems. The Cr dit Agricole Group's communications and information systems, and those of its customers, service providers and counterparties, may also be subject to failures or interruptions resulting from cyber crime or cyber terrorism. The Cr dit Agricole Group cannot guarantee that failures or interruptions in its systems or in those of other parties will not occur or, if they do occur, that they will be adequately resolved. Over the period from

2020 to 2022, operational losses due to the risk of business disruptions and system failures accounted for between 2% and 3% of operational losses.

***(c) The Cr dit Agricole Group’s risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses***

The Cr dit Agricole Group’s risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all types of market environments or against all types of risk, including risks that it fails to identify or anticipate. Furthermore, the risk management procedures and policies used by the Cr dit Agricole Group do not guarantee effective risk reduction in all market configurations. These procedures may not be effective against certain risks, particularly those that the Cr dit Agricole Group has not previously identified or anticipated. Some of the qualitative tools and metrics used by the Cr dit Agricole Group for managing risk are based upon its use of observed historical market behaviour. The Cr dit Agricole Group applies statistical and other tools to these observations to assess its risk exposures. The tools and metrics may fail to predict future risk exposures of the Cr dit Agricole Group. These risk exposures could, for example, arise from factors it did not anticipate or correctly evaluate in its statistical models or from unprecedented market movements. This would limit its ability to manage its risks and affect its results. The Cr dit Agricole Group’s losses could therefore be significantly greater than those anticipated based on historical measures. In addition, certain of the processes that the Cr dit Agricole Group uses to estimate risk exposure, including expected credit losses under the IFRS standards in force, are based on both complex analysis and factors that could lead to uncertain assumptions. Both qualitative and quantitative models used by the Cr dit Agricole Group may not be comprehensive and could lead the Cr dit Agricole Group to significant or unexpected losses. While no material issue has been identified to date, risk management systems are also subject to the risk of operational failure, including fraud.

At 31 December 2022, the Cr dit Agricole Group had a regulatory capital requirement of €4.8 billion in order to cover the operational risk, as calculated by the advanced measurement approach (AMA) based on past losses and medium and long-term loss assumptions, and the standardised approach (TSA).

***(d) Any damage to the Cr dit Agricole Group’s reputation could have a negative impact on its business***

The Cr dit Agricole Group’s business depends in large part on the maintenance of a strong reputation in compliance and ethics. If the Cr dit Agricole Group were to become subject to legal proceedings or adverse publicity relating to compliance or similar issues, the Cr dit Agricole Group’s reputation could be affected, resulting in an adverse impact on its business. These issues include, but are not limited to, inappropriately dealing with potential conflicts of interest, legal and regulatory requirements, competition issues, ethics issues, social and environmental responsibility, money laundering laws, information security policies and sales and trading practices. Cr dit Agricole Group may be dependent on data produced or transmitted by third parties, particularly in terms of social and environmental responsibility,

and could be exposed to specific risks in this area in a context where guarantees of the reliability of this thirdparty data are still being developed. Crédit Agricole Group's reputation could also be damaged by an employee's misconduct or fraud or embezzlement by financial intermediaries. Any damage to the Crédit Agricole Group's reputation might lead to a loss of business that could impact its earnings and financial position. Failure to address these issues adequately could also give rise to additional legal risk, which might increase the number of litigation claims and expose the Crédit Agricole Group to fines or regulatory sanctions.

Reputational risk is a significant risk for the Crédit Agricole Group and is managed by the Compliance department of the Crédit Agricole Group and the Compliance departments of the Crédit Agricole Group member entities, which are responsible notably for the prevention and control of the risks of non-compliance with, in this context, the prevention of money laundering, the fight against the financing of terrorism, the prevention of fraud and corruption, compliance with embargoes and the obligations to freeze assets.

***(e) The Crédit Agricole Group is exposed to the risk of paying higher compensation for damages or fines as a result of legal, arbitration or regulatory proceedings***

The Crédit Agricole Group 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 the Crédit Agricole Group, these proceedings can result in awards of high damages, fines and penalties. Legal and regulatory proceedings to which the Crédit Agricole Group 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 the Crédit Agricole Group in many cases has substantial defences, even where the outcome of a legal or regulatory proceeding is ultimately favourable, the Crédit Agricole Group may incur substantial costs and have to devote substantial resources to defending its interests. For more information on changes in risks resulting from legal, arbitration or administrative proceedings under way within the Crédit Agricole Group, please see the "Risk management" section of A01 of the 2022 URD.

Organised as a business line, the Legal Affairs Department has two main objectives: to control legal risk, which can give rise to disputes and liabilities, whether civil, disciplinary or criminal, and to provide the legal support needed by entities to enable them to carry out their activities. At the end of December 2022, provisions for legal risks amounted to €546 million compared to €758 million at 30 June 2022.

***(f) The international scope of the Crédit Agricole Group's operations exposes it to legal and compliance risks***

The international scope of the Crédit Agricole Group'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 where the Crédit Agricole Group is active, such as local banking laws and regulations, internal control and disclosure requirements, data privacy restrictions, European, U.S. and local anti-money laundering and anti-corruption laws and regulations, international sanctions and other rules and requirements. Violations of these laws and regulations could harm the reputation of the Crédit Agricole

Group, result in litigation, civil or criminal penalties, or otherwise have a material adverse effect on its business.

To illustrate, in October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) 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 acts covered by this agreement took place between 2003 and 2008. Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US federal authorities and New York State authorities during this investigation, agreed to pay a penalty of US\$787.3 million (€692.7 million).

Despite the implementation and improvement of procedures designed to ensure compliance with these laws and regulations, there can be no assurance that all employees or contractors of the Crédit Agricole Group will follow its policies or that such programmes will be adequate to prevent all violations. It cannot be excluded that transactions in violation of the Crédit Agricole Group's policies may be identified, potentially resulting in penalties. The Crédit Agricole Group furthermore does not have direct or indirect majority voting control in certain entities with international operations, and in those cases its ability to require compliance with the Crédit Agricole Group's policies and procedures may be even more limited.

At end-2022, the Crédit Agricole Group had operations in 46 countries. It does not include held-for-sale and discontinued operations, nor any equity-accounted entities. Note that at end-2022, 79% of the revenues (excluding intercompany disposals) of the Crédit Agricole Group came from its two main locations (France and Italy).

#### **(4) Risks relating to the environment in which the Crédit Agricole Group operates**

##### ***(a) The Crédit Agricole Group's operating income and financial position may be affected by disruptions to the global economic situation and financial markets resulting from the conflict between Russia and Ukraine***

The conflict between Russia and Ukraine, as well as economic sanctions measures against Russia adopted in response by a number of countries (including France, the European Union, the United Kingdom and the United States), may continue to have widespread economic and financial repercussions. The conflict has exacerbated instability in global markets, with an impact on stock market indexes and commodity prices (particularly oil, gas and agricultural products such as wheat), worsening supply chain disruptions, increased production costs, and additional inflationary pressures beyond those already observed. In the wake of the Covid pandemic. These difficult conditions in the global economy and financial markets could have significant negative impacts on the Crédit Agricole Group and its customers. These conditions may continue or worsen as the conflict evolves. Thus, cost of risk could be affected by changes in the geopolitical, financial and global macroeconomic situation, as well as by the deterioration in the repayment capacities of companies (decline in activity, insufficient capacity to pass on cost increases) and consumers (affected by consumer price increases), by the downgrading of the ratings of counterparties whose outstandings are downgraded from Stage 1 to Stage 2, and by the sensitivity of certain sectors, particularly:

- those where the activity of significant players, due to their location or nationality, is directly impacted by the conflict (energy, agriculture, aeronautics, raw materials and energy trading);
- exposed to shortages or significant increases in the cost of energy and raw materials used in their production process (food processing, heavy industry, automotive, construction and public works);
- where the level of demand would remain below normal for a long time due to increases in sales prices or loss of access to significant markets.

***(b) Crédit Agricole Group Adverse economic and financial conditions have in the past had and may in the future have an impact on the Crédit Agricole Group and the markets in which it operates***

In the operation of its activities, the Crédit Agricole Group is 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 2022, 70% of the Crédit Agricole Group's revenues were generated in France, 10% in Italy, 14% in the rest of Europe and 7% in the rest of the world as detailed in the notes to the financial statements. A deterioration in economic conditions in the markets where the Crédit Agricole Group operates could have one or several of the following impacts:

- adverse economic conditions would affect the business and operations of customers of the Crédit Agricole Group, which could decrease revenues and increase the rate of default on loans and other receivables;
- a decline in the prices of bonds, equities and commodities could impact a significant portion of the business of the Crédit Agricole Group, including in particular trading, investment banking and asset management revenues;
- macroeconomic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the businesses of the Crédit Agricole Group 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 or the Covid crisis of 2020) could have a severe impact on all of the activities of the Crédit Agricole Group, 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;
- greater uncertainties and significant market disruptions may increase volatility. This could have a significant adverse impact on the Crédit Agricole Group's trading and investment activities in the bond, foreign exchange, commodities and equity markets,

as well as on its positions in other investments. In recent years, the financial markets have experienced significant disruption and volatility, which could reoccur, exposing the Crédit Agricole Group to significant losses. Such losses could extend to many trading and hedging instruments used by the Crédit Agricole Group, including swaps, forwards, futures, options and structured products. In addition, financial market volatility makes it difficult to anticipate trends and implement effective trading strategies.

As such, in a context of declining global growth in 2022 and less accommodating monetary policies, a deterioration in economic conditions would increase the difficulties and failures of businesses and the unemployment rate could start rising again, increasing the probability of customer default. The heightened uncertainty could have a strong negative impact on the valuation of risky assets, on the currencies of countries in difficulty, and on the price of commodities.

- A worsening global environment could lead to a temporary halt in monetary tightening policies, particularly in the United States and Europe.
- The global political and geopolitical context – more conflictual and tenser – induces 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 major market movements and can weigh on economies. Such risks include trade war, tensions in the Middle East, social or political crises around the world, tensions in Eastern Europe, conflict between Russia and the Ukraine, etc.
- In France, there could also be a significant drop 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 private debt, which has increased more than in the rest of Europe.
- In Italy, a political crisis, against the backdrop of growth lower than inflation and high public debt, would have a negative impact on confidence and the economy, and could also cause an additional 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. For example, the Crédit Agricole Group's exposure to Italy was €137.8 billion at the end of December 2022 (Pillar 3), which represents 6.33% of the Crédit Agricole Group's exposures.

It is difficult to predict when economic or financial market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become significantly more volatile, the Crédit Agricole Group's operations could be disrupted, and its business, results of operations and financial position could as a result experience a material adverse effect.

***(c) The absence of a sustained decline in inflation rates may negatively affect the business, operations and financial performance of the Crédit Agricole Group***



The Covid pandemic and the subsequent economic recovery resulted in economic bottlenecks (which have been or are currently being resolved), upstream cost pressures, a sharp upturn in inflation, and the implementation of restrictive monetary policies. The economic and financial scenario is based on a gradual decline in inflation, leading to a stabilisation of key interest rates in 2023 with moderate pressure on risk-free interest rates. However, the drop in inflation could be hindered by factors such as: rising energy prices (see in particular the Russia-Ukraine conflict); localised outbreaks of Covid slowing down activity and leading to new disruptions in supply chains; more resistant underlying inflation; accelerated increases in wages without guaranteeing that purchasing power is maintained.

In the absence of support to limit its impact on customer types (consumers and businesses), high inflation coupled with restrictive monetary policies and the consequences on the international economy and financial markets have had and are likely to continue to have a significant adverse impact on the results of the business lines and the financial position of Cr dit Agricole Group.

At 31 December 2022, Cr dit Agricole Group’s exposure to sectors considered “sensitive” was as follows: (a) real estate (excluding housing loans) with EAD (Exposure at Default) of €66 billion, of which 1.6% in default; (b) non-food goods and retail with EAD of €27.2 billion, of which 2.8% in default; (c) automotive, with EAD of €26.2 billion, of which 0.6% in default; (d) heavy industries, with EAD of €23.2 billion, of which 3% in default and (e) construction and public works with EAD of €11.9 billion, of which 2.1% in default.

***(d) The Cr dit Agricole Group operates in a highly regulated environment, and its profitability and financial position could be significantly impacted by ongoing legal and regulatory changes***

A variety of regulatory and supervisory regimes apply to the Cr dit Agricole Group in each of the jurisdictions in which it operates.

To illustrate, such regulations pertain to, in particular:

- regulatory prudential requirements applicable to credit institutions, including prudential rules in terms of adequacy and minimum capital and liquidity requirements, risk diversification, governance, restrictions in terms of equity investments and compensation as defined in particular by the CRR Regulation and the CRD Directive as transposed into domestic law; under these regulations, credit institutions such as the Cr dit Agricole Group must notably meet the requirements regarding minimum capital ratio, risk diversification and liquidity, monetary policy, reporting/disclosures, as well as restrictions on equity investments. At 31 December 2022, the Cr dit Agricole Group’s phased-in common equity tier 1 (CET1) ratio was 17.6% and the Cr dit Agricole Group’s overall phased-in ratio was 21.6%;
- the rules applicable to bank recovery and resolution as defined notably by (i) BRRD, as transposed into domestic law and (ii) Single Resolution Mechanism Regulation; accordingly, the Cr dit Agricole Group is placed under the supervision of the ECB to which a Cr dit Agricole Group recovery plan is submitted each year in accordance with the applicable regulations (for more information, see the “Risk Management”

section of A01 of the 2022 URD). In addition, the contribution of the Crédit Agricole Group to the annual financing of the Single Resolution Fund can be significant. Thus, in 2022, the Crédit Agricole Group's contribution to the Single Resolution Fund amounted to €803 million;

- the regulations applicable to financial instruments (including shares and other securities issued by Crédit Agricole S.A.), as well as the rules relating to financial reporting, information disclosure and market abuse (Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse), which in particular increases the obligations of Crédit Agricole Group in terms of transparency and reporting;
- the monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- the regulations governing certain types of transactions and investments, such as derivatives and securities financing activities and money market funds (Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 over-the-counter derivatives, central counterparties and trade repositories);
- regulations of market infrastructures, such as trading platforms, central counterparties, central securities depositories and securities settlement systems;
- tax and accounting legislation in the jurisdictions where the Crédit Agricole Group operates; and
- the rules and procedures relating to internal control, anti-money laundering and combating terrorist financing, risk management and compliance.

As a result of some of these measures, the Crédit Agricole Group was notably forced to reduce the size of some of its activities in order to comply with the new requirements created by them. These measures have also increased compliance costs and it is likely that they will continue to do so. In addition, some of these measures may also significantly increase the Crédit Agricole Group's funding costs, particularly by requiring the Crédit Agricole Group to increase the portion of its funding consisting of capital and subordinated debt, which carry higher costs than senior debt instruments.

Failure to comply with these regulations could have significant consequences for the Crédit Agricole Group: a significant intervention by regulatory authorities and fines, international sanctions, public reprimand, reputational damage, enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate. Moreover, regulatory constraints could significantly limit the Crédit Agricole Group's ability to expand its business or to pursue certain existing activities.

In addition, legislative and regulatory measures have entered into force in recent years or may be adopted or modified to introduce or strengthen a number of changes, some of which are permanent, in the overall 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 the Crédit Agricole

Group 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 the Crédit Agricole Group), tax on financial transactions, caps or tax on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (prohibition or limitation of proprietary trading and investment, investments and holdings in private equity funds and hedge funds), ring-fencing requirements relating to certain activities, restrictions on the types of entities permitted to conduct swaps, restrictions on certain types of activities or financial products such as derivatives, mandatory writedowns or conversions into equity of certain debt instruments in the event of a resolution procedure and, more generally, enhanced recovery and resolution regimes, new risk-weighting methodologies (particularly with respect to insurance businesses), periodic stress testing, and the strengthening of the powers of supervisory authorities and new rules for managing environmental, social and governance (ESG) risks.

- The measures relating to the banking and financial sector in which Crédit Agricole S.A. operates could be amended again, expanded or strengthened, and new measures could be introduced, further affecting the predictability of the regulatory regimes to which Crédit Agricole S.A. is subject and requiring rapid implementation likely to mobilise significant resources within Crédit Agricole S.A. In addition, the adoption of these new measures could increase the constraints on Crédit Agricole S.A. and require a strengthening of the actions carried out by Crédit Agricole S.A. presented above in response to the existing regulatory context.
- In addition, the general political environment has evolved unfavourably for banks and the financial industry, resulting in additional pressure on legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures can have adverse consequences on lending and other financial activities, and on the economy.

Given the continuing uncertainty linked to new legislative and regulatory measures, the scale and scope of which are largely unpredictable, it is impossible to predict their real impact on the Crédit Agricole Group, but their impact could be very significant.

## **(5) Risk related to the strategy and transactions of the Crédit Agricole Group**

### ***(a) The Crédit Agricole Group may not achieve the targets set out in its 2025 medium-term Plan***

On 22 June 2022, Crédit Agricole S.A announced its new MediumTerm Plan for 2025: “Ambitions 2025” (the “**2025 Medium-Term Plan**”). The 2025 Medium-Term Plan builds on the strength of the Crédit Agricole Group’s development model, which is based on a global, sustainable relationship serving all customers, in all territories, and through all channels. This development is also based on business lines that are pursuing their own development dynamics and have become leaders and consolidators in their respective markets. The 2025 Medium-Term Plan is also based on the Crédit Agricole Group’s organic growth strategy. The Group is aiming for 1 million additional retail banking

customers by 2025 and intends to increase the number of customers with protective insurance, savings and real estate solutions. It aims to expand and adapt its offers (more accessible, more responsible and more digital) in order to meet new needs. In addition, the strategy of targeted acquisitions and partnerships will continue, while respecting the profitability constraints (ROI >10% in three years) set for Cr dit Agricole S.A. Within this framework, the Cr dit Agricole Group aims to forge new distribution partnerships with financial players, as well as industrial and technological partnerships. As part of the 2025 Medium-Term Plan, Cr dit Agricole S.A. also aims to develop its global business lines, accelerate its growth in cross-functional business lines such as payments, real estate, digital banking and as-a-service technology, and accelerate its technological, digital and human transformation. The main driver of growth in the Medium-Term-Plan is organic, and this growth can be complemented by partnerships and or acquisitions. An operational integration risk is always attached to such transactions. Over the year 2022, Cr dit Agricole S.A. has demonstrated its strong integration capacity with the integration of Lyxor and Creval complete at year end, including IT integration.

The 2025 Medium-Term Plan includes a number of financial targets relating to revenues, expenses, net income and capital adequacy ratios, among other things. 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 the economic climate and the activity of the business lines of the Cr dit Agricole Group. The financial targets do not constitute projections or forecasts of anticipated results. The actual results of the Cr dit Agricole Group 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, the Cr dit Agricole Group expects to have a solvency ratio greater than or equal to 17% for its Common Equity Tier 1 (CET1) ratio, a TLAC<sup>17</sup> ratio greater than or equal to 26% (excluding non-preferred senior debt) and a SRP<sup>18</sup> of between  110 and  130 billion.

Furthermore, as a responsible and committed player, the Cr dit Agricole Group has adopted an approach for a fair climate transition that preserves social and territorial cohesion. This approach is based on three priorities: to take action for the climate; to strengthen social cohesion by taking action for equal access to care; and to make the agricultural and agro-food transitions successful.

The acceleration of investment and financing in green energies and taking ESG criteria into account more broadly is imperative to effectively contribute to the urgency of the energy transition, in place of fossil fuels. In this sense, stopping only the financing of fossil fuels would allow the Bank's balance sheet to become "greener" more quickly, but would negatively impact all the populations still dependent on these energies without supporting them in their own transition.

Cr dit Agricole has also made the demanding choice to use its universal banking model to support transitions for as many people as possible. By equipping all its customers, from

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<sup>17</sup> TLAC (Total Loss Absorbing Capacity).

<sup>18</sup> SRP (Stable Resource Position).

large international corporates to the most financially modest households, with products and services that use green energy and by constantly striving for innovation and progress, Crédit Agricole is continuing its role as a company heavily involved in major societal changes.

Ambitious targets have been set for Crédit Agricole S.A. to accelerate the pace of the transition to carbon neutrality by 2050. Following the announcement of the Net Zero Asset Owner (CA Assurances) and Net Zero Asset Managers (Amundi) commitments, Crédit Agricole S.A. published the 2030 targets for Crédit Agricole S.A. and its subsidiaries, in line with the Net Zero Banking Alliance for five sectors (Oil & Gas, Electricity, Automotive, Commercial Real Estate and Cement).

In a second phase, the Crédit Agricole Group will unveil targets for five other sectors (Shipping, Aviation, Steel, Residential Real Estate and Agriculture) in 2023. These commitments cover 10 sectors that account for more than 75% of global greenhouse gas emissions and approximately 60% of the Crédit Agricole Group's exposure. Crédit Agricole has also committed to reducing its own direct carbon footprint by 50% by 2030.

The Crédit Agricole Group's climate action is consistent with its commitment to contribute to the goal of global carbon neutrality by 2050, and the Group's climate strategy fully contributes to the revenue generation objectives of Crédit Agricole S.A.'s 2025 Medium-Term Plan.

Failure to comply with these ESG commitments could damage the reputation of the Crédit Agricole Group, which could have a negative impact on its business. In addition, the lack of reliability of some ESG data could lead to the recalculation of trajectories to achieve the targets set, and thus shift them over time.

More generally, the success of the 2025 Medium-Term Plan is based on a large number of initiatives of varying scope, to be rolled out within the various Crédit Agricole Group entities. Although many of the targets set out in the 2025 Medium-Term Plan are expected to be achievable, it is not possible to predict which ones will be achieved and which ones will not. The 2025 Medium-Term Plan also provides for important investments, but their return could be lower than expected if the targets pursued under the 2025 Medium-Term Plan are not ultimately achieved. Thus, if Crédit Agricole S.A. was unable to achieve the targets set out in the 2025 Medium-Term Plan (in whole or in part), there could be a material adverse impact on its financial position and results.

***(b) Claims made to the Crédit Agricole Group subsidiaries in the exercise of their insurance activities could be inconsistent with the assumptions they use to price their insurance products and the fees for obligations related to claims experience and technical reserves***

Revenues from the insurance activities of the members of the Crédit Agricole Group specialising in this field depend significantly upon the extent to which the actual claims experience is consistent with the assumptions they use in setting the prices for their products and establishing technical reserves. Crédit Agricole Assurances uses both its own empirical analysis and industry data to develop its products and estimate future policy benefits,

including information used in pricing the insurance products and establishing the related actuarial liabilities. However, there can be no assurance that the claims experience is not higher than the assumptions used for pricing and provisioning, and unanticipated risks such as pandemic diseases or natural disasters could result in loss experience inconsistent with the relevant assumptions related to the pricing of these products and the establishment of reserves. To the extent that the actual claims paid by Cr dit Agricole Assurances to policyholders are higher than the underlying assumptions used in initially establishing the future policy reserves, or if events or trends cause Cr dit Agricole Assurances to change the underlying assumptions, Cr dit Agricole Assurances may be exposed to greater liabilities than expected, which may adversely affect the Cr dit Agricole Group's insurance business, results of operations and financial position.

Cr dit Agricole Assurances continues to adapt its strategy to the current context of low interest rates, in particular by strengthening its policy of redirecting funds to unit-linked policies and by increasing its profit-sharing reserves (provision pour participation aux exc dents – PPE), which were €12.0 billion at 31 December 2022 (compared with €13.8 billion at 30 June 2022), i.e. 5.7% of outstanding euro-denominated policies, which represents several years' worth of interest rates provided to policyholders and which constitutes a level of coverage higher than the market average in France. Moreover, the unit-linked portion in assets under management of Cr dit Agricole Assurances reached 25.6% at 31 December 2022, down 1.2 points year-on-year. In Property and Casualty insurance the combined ratio remained well under control. It achieved 98.5%<sup>19</sup>.

Finally, Cr dit Agricole Assurances maintains a high level of solvency, posting a ratio of 204%<sup>20</sup> at 31 December 2022.

***(c) Adverse events may affect several of the Cr dit Agricole Group's businesses simultaneously***

While each of the Cr dit Agricole Group's principal activities are subject to risks specific to them and are subject to different market cycles, it is possible that adverse events could affect several of the Cr dit Agricole Group's activities at the same time. For instance, a decrease in interest rates could simultaneously impact the interest margin on loans, the yield and therefore the fee and commission income earned on asset management products, and the returns on investments of the insurance subsidiaries. A general and prolonged decline in financial markets combined with adverse macroeconomic conditions could impact the Cr dit Agricole Group in multiple ways, by increasing default risk in its lending activities, causing a decline in the value of its securities portfolios and reducing revenues in its fee and commission income-generating activities. In addition, a deterioration in the regulatory and tax environment of the main markets in which the Cr dit Agricole Group operates could affect the Cr dit Agricole Group's activities or lead to an overtaxation of their profits. In such event, the Cr dit Agricole Group might not realise the benefits that it otherwise would hope to achieve through the diversification of its activities. For example, adverse macroeconomic conditions could impact the Cr dit Agricole Group in multiple ways, by increasing default

<sup>19</sup> Ratio (claims experience + overheads + fee and commission income)/premiums, net of reinsurance, Pacifica scope, restated for climate events.

<sup>20</sup> Standard formula without transitory measures, except for the grandfathering of subordinated debt.

risk in its lending activities, causing a decline in the value of its securities portfolios and reducing revenues in its fee and commission income-generating activities. Where an event adversely affects multiple activities, the impact on the result and financial position of the Cr dit Agricole Group is all the more important.

***(d) The Cr dit Agricole Group is exposed to environmental and social risks***

Environmental risks can affect the Cr dit Agricole Group in two ways. First, they may have a direct impact on physical risks on its operating tools: these risks are components of operational risk and should remain marginal at the Cr dit Agricole Group level. The Cr dit Agricole Group is also exposed to reputational risk related to its compliance with public commitments, particularly in the fight against global warming. Cr dit Agricole Group may thus face controversy by being challenged by third parties if they believe that these commitments are not being met. These risks have not had any consequences so far.

Environmental risks may also affect the Cr dit Agricole Group's counterparties. Environmental risks are thus considered to be risk factors that influence the other main categories of existing risks, notably credit, but also market, liquidity and operational risks. However, these risks could mainly materialise through credit risk: for instance, if the Cr dit Agricole Group lends to businesses that conduct activities that emit greenhouse gases, it is subject to the risk that more stringent regulations or limitations will be imposed on its borrower, which could have an adverse impact on the latter's credit quality and the value of the assets financed (e.g. sudden drop in revenues). Such consequences may also arise as a result of technological changes accelerating the transition to a more low-carbon economy, or changes in the behaviour of end consumers (increase in leverage ratios to finance the transition). Similarly, these adverse impacts may be associated with physical risk events – such as natural disasters, but also long-term changes in climate models (increasing frequency and the impacts of events such as droughts, flooding, rising sea levels etc.) – having a negative impact on the counterparties of the Cr dit Agricole Group in the performance of their activities. Cr dit Agricole Group could thus face reputational risk if one of its subsidiaries' counterparties were to be the subject of a controversy related to environmental factors (e.g. non-compliance with regulations on greenhouse gas emissions, damage to biodiversity in the event of an industrial accident leading to the pollution of ecosystems etc.).

With the acceleration of transitional restrictions to address climate change, the increasing intensity of acute weather phenomena and concern surrounding the preservation of resources, the Cr dit Agricole Group will have to adapt its activities and its counterparty selection appropriately in order to achieve its strategic targets and to avoid suffering losses.

These developments have been communicated by Cr dit Agricole S.A. in its Medium-Term Plan and in its climate strategy. More specifically, after making commitments in the thermal coal sector, Cr dit Agricole S.A. is gradually formalising its ambitions for new sectors, in particular as part of the Net Zero Banking Alliance to which the Cr dit Agricole Group belongs. Amundi has joined the Net Zero Asset Manager Alliance initiative and CAA has joined the Net Zero Assets Owners' Alliance initiative. These commitments confirm the Cr dit Agricole Group's dedication in supporting the economy towards its goal to be carbon neutral by 2050, with binding milestones in the interim period.

In terms of social risk, the Cr dit Agricole Group could fail to achieve the targets of its Societal Project, which strives to economically and socially strengthen all territories and all customers, in particular by promoting the inclusion of young people, access to care, and ageing well – everywhere and for all.

Furthermore, it may not fully achieve the targets set in the 2025 Medium-Term Plan with regard to pursuing its managerial, cultural and human transformation. This could result in not achieving the quality of the environment and working conditions that it intended.

***(e) The Cr dit Agricole Group, along with its corporate and investment banking subsidiary, must maintain high credit ratings, or their business and profitability could be adversely affected***

Credit ratings have an important impact on the liquidity of the Cr dit Agricole Group and the liquidity of each of its Subsidiaries individually that are active in financial markets (principally its corporate and investment banking subsidiary, Cr dit Agricole CIB). A downgrade in credit ratings could adversely affect the liquidity and competitive position of the Cr dit Agricole Group or Cr dit Agricole CIB, increase borrowing costs, limit access to the capital markets, trigger obligations in the Cr dit Agricole Group’s covered bond programme or under certain bilateral provisions in some trading, derivative and collateralised financing contracts, or adversely affect the market value of the bonds.

The Cr dit Agricole Group’s cost of obtaining long-term unsecured funding from market investors, and that of Cr dit Agricole CIB, is directly related to their credit spreads (the amount in excess of the interest rate of government securities of the same maturity that is paid to debt investors), which in turn depend to a certain extent on their credit ratings. Increases in credit spreads can significantly increase the Cr dit Agricole Group’s or Cr dit Agricole CIB’s cost of funding. 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. In addition, credit spreads may be influenced by movements in the acquisition cost of credit default swaps indexed to the Cr dit Agricole Group’s or Cr dit Agricole CIB’s debt securities, which are influenced both by the credit quality of those securities, and by a number of market factors that are beyond the control of the Cr dit Agricole Group and Cr dit Agricole CIB.

Of the three rating agencies solicited, Moody’s, S&P Global Ratings and Fitch Ratings long term issuer ratings for Cr dit Agricole S.A. are Aa3, A+ and A+ respectively and their outlook is stable.

Non-financial ratings may have an impact on Cr dit Agricole S.A.’s image with its stakeholders, particularly investors, who use these ratings to build their portfolios. A significant downgrade of its rating could have an adverse effect on investor interest in securities issued by Cr dit Agricole S.A.

In 2022, Cr dit Agricole S.A.’s non-financial rating was maintained or even improved by MSCI (AA), Moody’s ESG Solutions (from 63 to 67/100), ISS ESG (from C to C+) and CDP (B).



***(f) The Cr dit Agricole Group faces intense competition***

The Cr dit Agricole Group faces intense competition in all financial services markets and for the products and services it offers, including retail banking services. For example, the Regional Banks have a market share of over 24% in France<sup>21</sup>. The European financial services markets are mature, and the demand for financial services products is, to some extent, related to overall economic development. Competition in this environment is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve customer needs. Consolidation has created a number of firms that, like the Cr dit Agricole Group, have the ability to offer a wide range of products, from insurance, loans and deposit taking to brokerage, investment banking and asset management services.

In addition, new rivals that are more competitive (including those utilising innovative technology solutions), which may be subject to separate or more flexible regulation, or other requirements relating to regulatory prudential ratios, are also emerging in the market. Technological advances and the growth of e-commerce have made it possible for non-bank institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new players exert downward price pressure on the Cr dit Agricole Group's products and services and can succeed in winning market share in areas that have been historically stable and dominated by traditional financial institutions. In addition, new applications, particularly in payment processing and retail banking, and new technologies facilitating transaction processing, such as blockchain, have been gradually transforming the financial sector and the ways in which customers consume banking services. It is difficult to predict the effects of the emergence of such new technologies, for which the regulatory framework is still being defined, but their increased use may transform the competitive landscape of the banking and financial industry. The Cr dit Agricole Group must therefore strive to maintain its competitiveness in France and in the other major markets in which it operates by adapting its systems and strengthening its technological footprint to maintain its current market share and level of results.

**(6) Risks related to the structure of the Cr dit Agricole Group**

***(a) If any member of the Cr dit Agricole Network encounters future financial difficulties, Cr dit Agricole S.A. would be required to mobilise the resources of the Cr dit Agricole Network (including its own resources) to support such member***

Cr dit Agricole S.A. (legal entity) is the corporate centre of the Cr dit Agricole Network made up of Cr dit Agricole S.A. (social entity), Regional Banks and the Local Banks, pursuant to Article R. 512-18 of the French Monetary and Financial Code, as well as Cr dit Agricole Corporate and Investment Bank and Bforbank as its affiliated members (the “**Network**”).

Under the statutory financial support mechanism provided for in Article L. 511-31 of the French Monetary and Financial Code, Cr dit Agricole S.A., as the central body of the Network, must take all necessary measures to guarantee the liquidity and solvency of each

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<sup>21</sup> This market share applies to household bank deposits. The market share for household loans is 24% (source: Banque de France, September 2021).

member of the Network, as well as the Network as a whole. As a result, each member of the Network benefits from the statutory financial support mechanism and contributes thereto. The general provisions of the French Monetary and Financial Code are transposed into internal provisions setting out the operational measures required for this legal mechanism for internal financial solidarity. In particular, they established a Liquidity and Solvency Bank Risk Fund (*Fonds pour Risques Bancaires de Liquidité et de Solvabilité FRBLS*) to enable Crédit Agricole S.A. (legal entity) to fulfil its role as a corporate centre by providing assistance to any member of the Network that may be experiencing difficulties. Although Crédit Agricole S.A. is not currently aware of circumstances likely to require recourse to the FRBLS to support a member of the Network, there can be no assurance that it will not be necessary to use the Fund in the future. In such a case, if the resources of the FRBLS were to be insufficient, Crédit Agricole S.A. (legal entity), under its duties as a corporate centre, will be required to make up the shortfall by mobilising its own resources and, where appropriate, those of the other members of the Network.

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. (legal entity) and that of the other members of the Network that are relied upon for support under the financial support 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”), transposed into French law by the French Decree-Law No. 2015-1024 of 20 August 2015 (*Ordonnance n° 2015 - 1024 portant diverses dispositions d’adaptation de la législation au droit de l’Union européenne en matière financière*), which also adapted French law to take into account 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) 2019/879 of 20 May 2019, 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, ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, protect depositors, and avoid or limit to the greatest extent possible, the use of public financial support as much as possible. In this context, the European Resolution Authorities, including the Single Resolution Board, have been given very broad 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 preferred by the resolution authorities, whereby resolution tools would be applied simultaneously at the level of Crédit Agricole S.A. and its affiliated members. (legal entity) and affiliated members. In this regard, and in the case of resolution of the Crédit Agricole Group, the scope comprising Crédit Agricole S.A. (in its capacity as corporate centre) and the affiliated entities would be considered as a whole to be the extended single entry point. Given the foregoing and the solidarity mechanisms that exist within the Network, a member of the Network cannot be put individually in resolution.

The resolution authorities may initiate resolution proceedings against a credit institution when it determines 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 required, and a liquidation procedure would fail, to achieve objectives of the resolution mentioned above.

The resolution authorities may use one or more resolution tools, as described below, with the target 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 losses greater 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 (*Code de Commerce*) (“Non Creditor Worse Off than in Liquidation” principle referred to in Article L. 613-57.I of the French Monetary and Financial Code). Thus, investors are entitled to claim compensation if the treatment they receive in 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 would first write down the par value of 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<sup>22</sup>. Then, if the resolution authorities decide to use the bail-in tool, the latter would be applied to debt instruments<sup>23</sup>, resulting in the partial or total write-down of these instruments or their conversion into equity in order to absorb losses.

With respect to the corporate centre and all affiliated entities, the resolution authorities may decide to implement, in a coordinated manner, impairment or conversion measures and, where applicable, internal bailouts. In such an event, the impairment or conversion measures and, where applicable, internal bailout measures would apply to all entities within the 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 French Monetary and Financial Code, effective as at the date of implementation of the resolution.

The holders of equity and any creditors of the same rank or with identical rights in liquidation will then be treated equally, irrespective of which entity of Crédit Agricole Group they are creditors.

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<sup>22</sup> Articles L. 613-48 and L. 613-48-3 of the French Monetary and Financial Code.

<sup>23</sup> Articles L. 613-55 and L. 613-55-1 of the French Monetary and Financial Code.

The scope of this bail-in, which also aims to recapitalise the Cr dit Agricole Group, is based on capital requirements at the consolidated level.

Investors must be aware that there is therefore a significant risk, for the holders of shares, mutual shares, CCI and CCA, and for the holders of debt instruments issued or implemented by any member of the Network to lose all or part of their investment if a resolution proceeding is implemented on the Cr dit Agricole Group, irrespective of which entity they are a creditor.

The other resolution tools available to the Resolution Authorities are essentially the total or partial disposal of the activities of the institution to a third party or to a bridge institution and the separation of the assets of the institution.

This resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, which applies to the Network, as defined in Article R. 512-18 of the same Code. Cr dit 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 Cr dit 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.

***(b) The practical advantage of the 1988 Guarantee issued by the Regional Banks may be limited by the implementation of the resolution regime that would apply prior to liquidation***

The resolution regime provided for by the BRRD could limit the practical effect of the guarantee granted by all Regional Banks jointly and severally among them up to the amount of their capital, reserves and retained earnings (the “**1988 Guarantee**”).

This resolution regime does not affect the statutory financial support mechanism provided for under Article L. 511-31 of the French Monetary and Financial Code, which applies to the Network prior to the implementation of any resolution measures.

However, the application of resolution measures on the Cr dit Agricole Group could limit the occurrence of the conditions for implementing the 1988 Guarantee, as the 1988 Guarantee can only be called if Cr dit Agricole S.A.’s assets prove to be insufficient to cover its obligations at the end of its liquidation or dissolution. Due to this limitation, bondholders and creditors of Cr dit Agricole S.A. may not be able to benefit from the protection that the 1988 Guarantee would offer.

## **2. Risks relating to the Bonds**

*The following does not describe all the risks of an investment in the Bonds. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Bonds and the suitability of investing in the Bonds in light of their particular circumstances.*

**(1) The Bonds are complex and unsecured financial instruments and may not be a suitable investment for all investors**

Each investor who intends to invest in any Bonds must determine the suitability of such investment in light of its own circumstances. In particular, such investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any other offering documents;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio; and
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the investor's currency.

A potential investor should not invest in Bonds unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the market value of such Bonds and the impact this investment on the potential investor's overall investment portfolio.

**(2) The Bonds may be redeemed upon the occurrence of a Withholding Tax Event, a Gross-Up Event or reasons of force majeure, where applicable**

Upon the occurrence of a Withholding Tax Event or a Gross-Up Event and subject to such redemption, repurchase or cancellation not being prohibited by the Applicable MREL/TLAC Regulations or for reasons of force majeure, the Issuer, may, at its option and at any time, but subject to the prior consent of the Relevant Regulator and/or the Relevant Resolution Authority, if required, redeem all, but not some only, of the Bonds at any time at their outstanding principal amount, together with accrued but unpaid interest (if any) thereon. Please also refer to Term (23) (*Early Redemption*) as set forth in Section 5 "Terms of the Bonds and Offering Arrangements" of the Offering Circular.

An early redemption feature may adversely impact the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period if there is, or the market believes that there is, an increased likelihood of the Bonds becoming eligible for redemption in the near term. In addition, such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Bondholders that the Issuer will exercise its right of termination increases.

As a consequence, if the Issuer redeems the Bonds in any of the circumstances mentioned above, there is a heightened risk that the Bonds may be redeemed at times when the redemption proceeds are less than the current market value of the Bonds or when prevailing interest rates may be relatively low. In such circumstances, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Bonds may be lower than the purchase price for the Bonds paid by the Bondholder. As a consequence,

a potentially significant part of the capital invested by the Bondholder may be lost, so that the Bondholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a potentially significantly lower yield than the redeemed Bonds. This could have a material adverse effect on the Bondholders who could lose part of their investment in the Bonds.

**(3) The Bonds may be subject to variation without Bondholder consent**

The Issuer is entitled to amend, modify, waive or delegate any matter relating to the Terms of the Bonds without the consent or approval of the Bondholders, in the conditions and under the circumstances provided in Term (33) (*Modification, Waiver and Substitution*) of the Terms of the Bonds.

Further, prior to the making of any such modification or taking any action, or prior to any substitution, variation, modification or amendment in a manner contemplated in Term (33) (*Modification, Waiver and Substitution*) of the Terms of the Bonds, the Issuer shall not be obliged to consider the tax position of individual Bondholders or the tax consequences of any such substitution, variation, modification, amendment or other action for individual Bondholders. No Bondholder shall be entitled to claim, whether from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such substitution, variation, modification, amendment or other action upon individual Bondholders. As a consequence, Bondholders may receive less than the full amount that would otherwise have been due, and the market value and/or the liquidity of such Bonds may be materially adversely affected and Bondholders could lose part of their investment in the Bonds in this respect.

**(4) Modification of the Terms of the Bonds would be binding on all Bondholders**

Term (34) (*Meeting of Bondholders*) of the Terms of the Bonds contains provisions for the calling of meetings of Bondholders or consulting them by way of Written Resolutions to consider matters affecting their interests generally, including the modification of such Terms of the Bonds. Those provisions permit in certain cases defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting, Bondholders who voted in a manner contrary to the majority and Bondholders who did not respond to, or rejected the relevant Written Resolution. Bondholders investing in the Bonds may therefore be bound by a resolution in which they have not participated or for which they expressed a view to the contrary.

Further, if a resolution to modify the Terms of the Bonds is adopted by a defined majority of Bondholders and such modifications were to impair or limit the rights of the Bondholders, this may have a negative impact on the market value of the Bonds. However, it remains unlikely that a defined majority of Bondholders adopt a decision that would have a negative impact on the market value of the Bonds.

**(5) The Terms of the Bonds contain a waiver of set-off clause**

Term (36) (*Waiver of Set-off*) of the Terms of the Bonds provide that no Bondholder may

at any time exercise or claim any set-off right to which they may otherwise be entitled to against any right, claim, or liability the Issuer has or may have or acquire against such Bondholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to the Bonds), and each Bondholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

As a result, Bondholders will not at any time be entitled to set-off the Issuer's obligations under the Bonds against obligations owed by them to the Issuer, and more generally to exercise or claim any Waived Set-Off Right.

This waiver of set-off could therefore have an adverse impact on the counterparty risk for a Bondholder in the event that the Issuer were to become insolvent and Bondholders could receive a lower return on their investments in the Bonds.

**(6) Changes of law may have an adverse effect on the Bonds**

The Terms of the Bonds are based on PRC laws in effect as at the date of this Offering Circular. There is a risk that the interpretation and/or effect of the Terms of the Bonds may be subject to change in such a manner as to adversely affect the rights of Bondholders. The value of the Bonds may also be affected by changes in laws.

No assurance can be given as to the impact of any possible judicial decision or change to PRC law or change in administrative practices after the date of this Offering Circular.

**(7) The Issuer is not prohibited from issuing further debt, which may rank *pari passu* with the Bonds**

The Terms of the Bonds place no restriction on the amount of debt that the Issuer may issue that ranks *pari passu* with the Bonds. The aggregate amount due under such outstanding debt may be substantial.

The Issuer's issuance of additional debt may have important consequences for investors in the Bonds, including increasing the risk of the Issuer's inability to satisfy its obligations with respect to the Bonds or a loss in the market value of the Bonds. The issuance of any such debt may reduce the amount recoverable by Bondholders upon the Issuer's liquidation. If the Issuer's financial condition were to deteriorate, the Bondholders could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer were liquidated or becomes subject to any resolution procedure, the Bondholders could suffer loss of all or a significant part of their investment.

**(8) The Terms of the Bonds contain very limited covenants**

As contemplated in Term (6) (*No Negative Pledge*) of the Terms of the Bonds, there is no negative pledge in respect of the Bonds. The Issuer may pledge assets to secure indebtedness without granting an equivalent pledge or security interest to the Bonds. As a consequence, the Bondholders bear more credit risk than secured creditors of the Issuer.

The Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Bonds. If the Issuer decides to dispose of a large amount of its assets, investors in the Bonds will not be entitled to require the redemption of the Bonds, and those assets will no longer be available to support the Bonds.

In addition, the Bonds do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries or affiliates to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries or affiliates to pay dividends, repurchase shares or otherwise distribute cash to shareholders.

Such actions could severely affect the Issuer's ability to service its debt obligations, including those of the Bonds and this could have a severe adverse impact on the Bondholders. As a result, Bondholders could lose part of their investment in the Bonds.

**(9) The Terms of the Bonds do not provide for any event of default**

Term (32) (*No Event of Default*) of the Terms of the Bonds does not provide for any event of default in respect of the Bonds.

With respect to the Bonds, in no event will Bondholders be able to accelerate the maturity of their Bonds or declare them due and payable in events that would negatively affect the market value of the Bonds or the liquidity of the Bonds on the secondary market. Accordingly, in the event that any payment on the Bonds is not made when due, each holder of such Bonds will have a claim only for amounts then due and payable on their Bonds. In such case, upon a payment default, the sole remedy available to Bondholders for recovery of amounts owing in respect of any payment of principal or interest will be the institution of proceedings to enforce such payment. This could result in significant delays in the payment of interest or principal and could adversely affect the liquidity and market value of the Bonds. As a result, Bondholders could lose part of their investment in the Bonds.

**(10) Taxation in relation to the Bonds**

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. This investment consideration has to be read in connection with Section 14 "Taxation Relating to the Bonds" of this Offering Circular.

**(11) Transactions in the Bonds could be subject to the European financial transaction tax, if adopted**

On 14 February 2013, the European Commission published a proposal for a Directive (the "**Commission's Proposal**") for a common financial transaction tax (the "**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "**Participating Member States**") and which, if enacted, could apply under certain circumstances to transactions involving the Bonds. The issuance and subscription of Bonds



should, however, be exempt. Estonia has since stated that it will not participate.

The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Bonds would be subject to higher costs, and the liquidity of the market for the Bonds may be diminished.

Following the lack of consensus in the negotiations on the Commission's Proposal, the Participating Member States (excluding Estonia) and the scope of such tax are uncertain. According to recent public statements, the Participating Member States (excluding Estonia which already withdrew) have agreed to continue negotiations on the basis of a proposal which would reduce the scope of the EU FTT and would only concern listed shares of EU companies whose market capitalisation exceeds EUR 1 billion as at 1 December of the year preceding the taxation year. According to this new proposal, the applicable tax rate would be at least 0.2%. This new proposal could be subject to changes prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate and/or certain of the Participating Member States (excluding Estonia which already withdrew) may decide to withdraw.

Prospective Bondholders are advised to seek their own professional advice in relation to the consequences of the FTT that could be associated with subscribing for, purchasing and disposing of the Bonds.

**(12) A Bondholder's actual yield on the Bonds may be reduced from the stated yield by transaction costs**

When Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Bonds. For instance, credit institutions as a rule charge their clients for own commissions, which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional — domestic or foreign — parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Bondholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Bondholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

**(13) A Bondholder's effective yield on the Bonds may be diminished by the tax impact on that Bondholder of its investment in the Bonds**

Payments of interest on the Bonds, or profits realised by the Bondholder upon the sale or repayment of the Bonds, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments. Certain tax effects on Bondholders are described under the "Taxation" section of this Offering

Circular; however, the tax impact on an individual Bondholder may differ from the situation described for Bondholders generally. Potential investors are advised not to rely exclusively upon the tax summaries contained in the “Taxation” section below which in any event only cover certain tax consequences in particular jurisdictions, and are not intended to be exhaustive, but to seek advice from their own tax advisers as to their individual taxation situation with respect to an investment in the Bonds.

**(14) Return on the Bonds may be limited or delayed by the insolvency of the Issuer**

Under French insolvency law, as amended by the newly enacted ordinance No 2021-1193 dated 15 September 2021 implementing EU directive 2019/1023 of the European Parliament and the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the “**Ordinance**”), if a safeguard procedure (*procédure de sauvegarde*) or an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) is opened in France with respect to the Issuer or if a reorganisation plan is contemplated, as part of a judicial reorganisation procedure (*redressement judiciaire*) opened in France in respect thereof, the Bondholders shall be treated as affected parties to the extent their rights are impacted by the proposed plan and assigned to a class of affected parties.

The draft plan prepared by the debtor, with the assistance of the court-appointed administrator, is submitted to the vote of the classes of affected parties (at a two-third majority in each class), which cannot propose their own competing plan in safeguard proceedings (as opposed to judicial reorganisation proceedings).

If the draft plan has been approved by each class of affected parties, the Court approves the plan (i) after verifying that certain statutory protections to dissenting affected parties are complied with, and (ii) unless there is no reasonable prospect that it would enable the debtor to avoid cash-flow insolvency or ensure the sustainability of its business.

If the draft plan has not been approved by all classes of affected parties, such plan may (at the request of the debtor or of the court-appointed administrator subject to the debtor’s approval (or at the request of an affected party’s in judicial reorganisation proceedings only)) be imposed on the dissenting class(es) of affected parties subject to the satisfaction of certain statutory conditions (known as the “cross-class cramdown mechanism”).

In light of the above, the dissenting vote of the Bondholders within their class of affected parties may be overridden within such class or by application of the cross-class cramdown mechanism.

The risk of having the Bondholders’ claims termed out for up to ten years by the Court would only exist if no class of affected parties is formed in safeguard or judicial reorganisation proceedings, or in case no plan can be adopted following the class-based consultation process in judicial reorganisation (only).

Further, the 1988 Guarantee may be called upon if the assets of the Issuer in a liquidation or dissolution procedure are insufficient, but not in the context of any other insolvency

procedures. For further details regarding the 1988 Guarantee, please refer to Section 6 “Basic Information and Management of the Issuer” of this Offering Circular.

As a result, if despite any resolution measures initiated in respect of the Crédit Agricole Group (including the Issuer), the Issuer (whose registered office is located in France) were to become insolvent and/or were subject to any insolvency proceedings (such as a mandat ad hoc procedure (*procédure de mandat ad hoc*), conciliation procedure (*procédure de conciliation*), safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or a liquidation procedure (*liquidation judiciaire*)), application of French insolvency law could affect the Issuer’s ability to make payments on the Bonds and return to investors on the Bonds may thus be limited or delayed. The commencement of any such insolvency proceedings against the Issuer could therefore have a material adverse impact on the market value and/or the liquidity of the Bonds and Bondholders could lose all or part of their investment in the Bonds. In addition, any decisions taken by the class of affected parties to which the Bondholders belong or by the Court in case of cross-class cramdown, as the case may be, could negatively impact the holders of the Issuer’s debt and securities (including the Bondholders), beginning with holders of securities constituting common equity tier 1 and additional tier 1 capital, then holders of securities constituting tier 2 capital, holders of other subordinated debt instruments, holders of senior non preferred securities and finally holders of senior preferred debt, and cause them to lose all or part of their investment, should they not be able to recover amounts due to them by the Issuer.

**(15) The Bonds may be subject to mandatory write-down or conversion to equity under European and French laws relating to bank recovery and resolution or extraordinary State financial support**

The BRRD, together with the SRM, requires that Relevant Resolution Authorities write down common equity tier 1, additional tier 1 and tier 2 instruments (together the “**Capital Instruments**”) or (except for common equity tier 1 instruments) convert them to equity or other instruments, if they determine that, prior to the initiation of a resolution proceeding, (i) the conditions for the initiation of a resolution proceeding in respect of an issuing institution have been satisfied, (ii) the viability of such issuing institution or its group depends on such write-down or conversion or (iii) the issuing institution or its group requires extraordinary public support (subject to certain exceptions).

Accordingly, if one of these conditions were to be met, it is likely that there would be a very significant impact on the Capital Instruments of the Issuer:

- (i) the write-down and conversion powers would initially be applied to common equity tier 1 instruments of the Issuer, including the Issuer’s shares, as well as cooperative shares, cooperative associate certificates (CCA) and cooperative investment certificates (CCI) of the Regional Banks;
- (ii) if this were insufficient, the deeply subordinated instruments of the Issuer qualifying as additional tier 1 capital would be subject to write-down or conversion to equity; however, additional tier 1 instruments issued after 28

December 2020 change their ranking if they no longer fully qualify as additional tier 1 capital; accordingly, if the deeply subordinated notes of the Issuer no longer fully qualify as additional tier 1 capital (for example, due to a change in regulation), they will instead be treated in resolution as tier 2 instruments (if they qualify as such), or otherwise as subordinated obligations ranking senior to tier 2 instruments and deeply subordinated obligations, but junior to unsubordinated obligations (the “**Other Subordinated Obligations**”);

- (iii) if the write-down or conversion of deeply subordinated instruments qualifying as additional tier 1 capital is insufficient, then the subordinated instruments of the Issuer qualifying as tier 2 capital would be subject to write-down or conversion; however, tier 2 instruments issued after 28 December 2020 change their ranking if they no longer fully qualify as tier 2 capital; accordingly, if the subordinated notes no longer fully qualify as tier 2 capital (for example, due to a change in regulation), they will instead be treated in resolution as Other Subordinated Obligations.

Further, if a resolution proceeding is initiated with respect to the Crédit Agricole Group (including the Issuer), and the write-down or conversion to equity of Capital Instruments prior to resolution is insufficient, then the Bail-in Tool will be applied to write-down any remaining Capital Instruments and Eligible Liabilities, in the order of their claims in an ordinary insolvency proceeding. Eligible Liabilities include the Other Subordinated Obligations and senior unsecured debt instruments such as senior non-preferred notes and senior preferred notes of the Issuer (such as the Bonds).

Accordingly, the Bail-in Tool would be applied, first, to write-down or convert any remaining Capital Instruments, then to write-down or convert to equity any Other Subordinated Obligations, then to write-down or convert to equity the senior non-preferred bonds (*pro rata* with any other instruments of the same ranking), and then to write-down or convert to equity the senior preferred bonds of the Issuer (*pro rata* with any other instruments of the same ranking), such as the Bonds.

In the event the Resolution Authority determines to write down the Bonds or convert them into equity of the Issuer or another entity, such Resolution Authority will have the power to complete or require the completion of all administrative or procedural tasks necessary to give effect to the exercise of respectively, the power of write down and conversion, including the amendment of all relevant registers or the admission to trading of new shares (including the shares into which the Bonds are to be converted).

The write-down or conversion power and the implementation of the bail-in power could as such result in the full (i.e. to zero) or partial write-down or conversion to equity (or other instruments) of the Bonds, specifically:

(i) *Write-down*

A write-down of the Bonds would result in full or partial losses of the Bondholders' investments in the Bonds, i.e. in the reduction of all, or a portion of, the outstanding

principal amount of the Bonds and any accrued and unpaid interest on the Bonds, on a permanent basis (regardless of the outcome of the resolution proceeding).

*(ii) Conversion*

A conversion of the Bonds into equity of the Issuer or another entity would modify investors' status from Bondholders of senior unsecured debt issued by the Issuer to shareholders of the Issuer or another entity. Holders of the Bonds agree to accept in lieu of their rights under the Bonds any such equity of the Issuer or another entity. Shareholders' rights, in resolution and in liquidation, will be deeply subordinated to the payment in full of all other creditors of the entity of which they are shareholders.

Moreover, Bondholders may not have qualifications to hold such equity, or may be required to make filings and/or registrations with, or obtain permits or approvals from, certain governmental or regulatory authorities of the PRC or other relevant jurisdictions under the applicable laws and regulations and/or the relevant requirements of such authorities, to hold such equity. If any Bondholders do not possess such qualification or fail to make such filings and/or registrations or obtain such permits or approvals, such Bondholders may lose all or part of their investment in the Bonds.

Furthermore, if the Bonds are to be converted into non-listed equity, there may be no trading market for such equity and, thus, investors may not achieve any commercial value in holding such equity. In such event, investors may lose all or part of their investment in the Bonds. Even if the Bonds are to be converted into equity securities listed and traded on a stock exchange, the trading conditions for such equity securities may deteriorate and trading prices may drop significantly after the implementation of the Bail-in Tool, or the trading market may not be active or may be volatile and subject to disruptions. Consequently, holding such equity securities may result in investors' loss of all or part of their initial investment in the Bonds.

In addition, if the Issuer's financial condition, or that of the Crédit Agricole Group, deteriorates, or is perceived to deteriorate, the existence of these powers could cause the market value and/or the liquidity of the Bonds to decline more rapidly than it would be the case in the absence of such powers.

In light of the above, in the event a resolution procedure is initiated in respect of the Crédit Agricole Group (including the Issuer) and even before the commencement of such procedure with respect to holders of Capital Instruments, there is a very significant risk that the market value and/or the liquidity of the Bonds could be irrevocably and materially altered and the Bondholders could lose all or a substantial part of their investment regardless of the manner in which other capital or debt instruments are treated.

For further information about the scope of the resolution measures and their articulation with the legal mechanism for internal financial solidarity provided for in Article L.511-31 of the French *Code monétaire et financier*, see "Regulation and Governance of the Issuer – Government Supervision and Regulation of Credit Institutions in France" in Section 11

of this Offering Circular and, in particular, the paragraphs entitled “*Resolution*” and “*Statutory Financial Support Mechanism*”.

**(16) If the Guarantee Fund proves insufficient to restore liquidity and solvency of any network member or affiliate that may encounter future financial difficulty, the Issuer may be required to contribute additional funds and, in an extreme case, the Bondholders may suffer material adverse financial consequences**

As the central body of the Crédit Agricole Network, the Issuer represents its affiliated credit institutions before regulatory authorities. Pursuant to Article L.511-31 of the French *Code monétaire et financier*, the Issuer is required to ensure that each member of the Crédit Agricole Network (each, a “**Member of the Crédit Agricole Network**” which shall include, for the avoidance of doubt, each affiliate), as well as such network as a whole, maintains adequate liquidity and solvency, and must call on other Members of the Crédit Agricole Network for that purpose whenever and in any manner deemed necessary. As a result of its role as a central body, the Issuer is empowered under applicable laws and regulations to exercise administrative, technical and financial supervision over the organisation and management of these institutions.

To assist the Issuer in assuming its central body duties and commitments and to ensure mutual support within the Crédit Agricole Network, a fund for liquidity and solvency banking risks (known by its French acronym as the FRBLS for “*fonds pour risques bancaires de liquidité et de solvabilité*” (the “**Guarantee Fund**”)) has been established. The Guarantee Fund is funded by the Issuer at 75 per cent. and by the Regional Banks at 25 per cent., in an aggregate amount of €1,343 million as at 31 December 2022. Although the Issuer is not aware of circumstances likely to require recourse to the Guarantee Fund, it may become necessary to call upon the capital of the Guarantee Fund. In the event of its full depletion, the Issuer will be required to contribute to the shortfall by mobilising its own resources and, where appropriate, those of the other Members of the Crédit Agricole Network.

As a result of this obligation, if a Member of the Crédit Agricole Network were to encounter significant financial difficulties, this could have a material adverse impact on the financial condition of the Issuer and the other Members of the Crédit Agricole Network and, as a consequence, may also materially impact the ability of the Issuer to make payments under the Bonds. In an extreme case, where such financial difficulties would lead to the initiation of a resolution procedure in respect of the Crédit Agricole Group (including the Issuer) or to the court-ordered liquidation of the Issuer, this obligation to support the Member of the Crédit Agricole Network that initially experienced financial difficulties could materially adversely impact holders of securities of the Issuer, beginning with securities constituting common equity tier 1 and additional tier 1 capital, then securities constituting tier 2 capital, other subordinated debt instruments, senior non preferred securities and potentially senior preferred debt (such as the Bonds). In such event, impacted security holders, including holders of the Bonds, could lose all or part of their investment.

For further information about the articulation of the legal mechanism for internal financial

solidarity provided for in Article L.511-31 of the French *Code monétaire et financier* and the resolution measures, see “*Regulation and Governance of the Issuer – Government Supervision and Regulation of Credit Institutions in France*” in Section 11 of this Offering Circular and, in particular, the paragraphs entitled “*Resolution*” and “*Statutory Financial Support Mechanism*”.

**(17) The Issuer is not required to redeem the Bonds if it is prohibited by French law from paying Additional Amounts**

There is uncertainty as to whether gross-up obligations in general, including those under the Terms of the Bonds, are enforceable under French law. If any payment obligations under the Bonds, including the obligations to pay Additional Amounts under Term (28) (*Taxation Considerations*), are held illegal or unenforceable under French law, the Issuer will have the right, but not the obligation, to redeem the Bonds. Accordingly, if the Issuer does not redeem the Bonds upon the occurrence of a Gross-Up Event, holders of such Bonds may receive less than the full amount due, and the market value of such Bonds will be adversely affected.

A “**Gross-Up Event**” occurs if the Issuer would on the next payment of interest in respect of the Bonds be required to pay any Additional Amounts, but would be prevented by French law from doing so.

**(18) Interest rate risk**

Investors in the Bonds are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the fixed rate bonds. In the case that the interest rates in the market increases beyond the fixed interest rates of the relevant Bonds, the investors will not be able to obtain such benefits.

A variety of factors influences interest rates such as macroeconomic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Bonds.

**(19) The market value of the Bonds may be adversely impacted by many events**

The market value of the Bonds will be affected by the creditworthiness and/or the credit ratings of the Issuer and the Bonds, as well as a number of additional factors, to varying degrees, including the volatility of market interest rates and indices, currency exchange rates, inflation rates and the time remaining to the Maturity Date or the relevant optional redemption date. For further information on risks relating to the creditworthiness of the Issuer, see “*Any decline in the credit ratings of the Issuer and/or the Bonds or changes in rating methodologies may affect the market value and the liquidity of the Bonds*”. For further information on risks relating to interest rates, see “*Interest rate risk*”.

Term (26) (Trading) of the Terms of the Bonds provides that the Bonds can be traded on the Interbank Market in accordance with its rules. The market value of the Bonds on the Interbank Market depends on several interrelated factors, including economic, financial, regulatory and political events affecting capital markets generally and the Interbank Market.

Such factors may cause market volatility and such volatility may materially adversely affect the market value of the Bonds. In addition, economic and market conditions may have any other material adverse effect on the market value of the Bonds. Further, the price at which a Bondholder may sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Bondholder. These risks may result in investors losing a substantial part of their investment in the Bonds.

**(20) A trading market for the Bonds may not develop or continue**

The Bonds may have no established trading market when issued, and an active market for such Bonds may never develop or continue in the future. If a trading market does develop for the Bonds, it may not be very liquid and the Bonds may trade at a discount compared to their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, the financial condition of the Issuer and any legal or regulatory changes.

Therefore, there is a significant risk that investors will not be able to sell, transfer or dispose of the Bonds easily or at prices that will provide them with their anticipated yield or with a yield comparable to similar investments that have a developed secondary market. Consequences could be materially adverse for the Bondholders and they could lose part of their investment in the Bonds.

**(21) Investors will only be able to trade their interests in the Bonds through the clearing system of the Custody Institution designated by PBOC and be subject to any risks relating to the clearing system**

The investors will only be able to trade their interests in the Bonds through the clearing system of the Custody Institution designated by PBOC and will have to rely on their procedures for transfer, payment and communication with the Issuer to receive any payment under the Bonds.

The Issuer has no responsibility or liability for the relevant records relating to, or payment procedure in respect of, interests in the Bonds.

**(22) Exchange rate risk**

The value of Renminbi has been fluctuating against Euro, US dollars and other major currencies and affected by PRC and international political or economic conditions and other factors. If investors evaluate their investment returns in a currency other than Renminbi (“**Investor Currency**”), there will be certain exchange rate risks associated with the investment in the Bonds, including significant fluctuations in exchange rates between Renminbi and the Investor Currency. The depreciation of Renminbi against the Investor Currency may result in a decline in the actual yield on investment in the Bonds lower than the coupon rates on the Bonds as well as exchange losses from converting the interest income and gains from the Bonds into the Investor Currency. As a result, investors may receive less than, or in some circumstances, substantially less than their expected return on principal or interest.



**(23) Any decline in the credit ratings of the Issuer and/or the Bonds or changes in rating methodologies may affect the market value and the liquidity of the Bonds**

One or more independent credit rating agencies (such as Standard & Poor's, Moody's or Fitch) may assign credit ratings of the Issuer with respect to its long and short-term debt. The credit ratings of the Issuer with respect to its long and short-term debt are an assessment of its ability to pay its obligations, including those on Bonds which value may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Consequently, actual or anticipated declines in the credit ratings of the Issuer may significantly affect the credit ratings of the Bonds which in turn could significantly affect the market value of the Bonds, as well as the liquidity of the Bonds on the secondary market. As a result, there is a risk that investors may not be able to sell their Bonds easily or at the price at which they would have sold the Bonds had the credit ratings of the Issuer not declined.

At the date of this Offering Circular, Standard & Poor's assigns long and short-term Issuer Credit Ratings to Crédit Agricole S.A. and Crédit Agricole S.A.'s senior preferred debt of A+ / Stable outlook / A-1. Moody's assigns long- and short-term Issuer Ratings to Crédit Agricole S.A. and Crédit Agricole S.A.'s senior preferred debt of Aa3 / Stable outlook / P-1. Fitch assigns long- and short-term Issuer Default Ratings to Crédit Agricole S.A. and Crédit Agricole S.A.'s senior preferred debt of A+ (long term Issuer) / AA- (long term senior preferred debt) / Stable outlook / F1+ (short term senior preferred debt). The Issuer was assigned a credit rating of "AAAspc" with a "stable" outlook by the Credit Rating Agency on 4 July 2023. The Credit Rating Agency has also assigned its "AAAspc" rating to the Bonds.

In addition, the credit rating agencies may revise or withdraw the credit ratings assigned to the Issuer with respect to its long and short-term debt at any time or may change their methodologies for rating securities with similar features to the Bonds in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Bonds, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and/or the ratings of the Bonds were to be subsequently lowered, revised, suspended or withdrawn, this may have a negative impact on the trading price of the Bonds and as a result, Bondholders could lose part of their investment in the Bonds.

**(24) Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to laws and regulations relating to legal investment consideration, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules. Neither the Issuer, the Lead Underwriter, the Joint Lead Underwriter, the Bookrunners, the Financial Advisor nor any of their respective affiliates has or assumes

responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### **(25) Interests of the Principal Underwriters**

Certain of the Lead Underwriter, the Joint Lead Underwriter and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

## **3. Risks relating to cross-border offering**

### **(1) The Issuer's ability to source Renminbi outside the PRC and to remit Renminbi into the PRC to service the Bonds may be limited**

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into or out of the PRC. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually. As a result of the restrictions imposed by the PRC competent authorities on cross border Renminbi fund flows, the availability of Renminbi outside the PRC is limited, and the size of Renminbi-denominated financial assets outside the PRC is limited. Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that the PRC government will continue to liberalize control over cross-border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or prohibiting the remittance of Renminbi into or outside the PRC. Neither is there any assurance that new regulations will not be promulgated by the PRC competent authorities which will have the effect of restricting the availability of Renminbi outside the PRC. The above factors, including the restrictions on the convertibility and remittance of Renminbi and the limited availability of Renminbi outside the PRC, may adversely affect the liquidity of the Bonds and the Issuer's ability to service the Bonds by obtaining offshore Renminbi.

### **(2) The location of arbitration and the enforcement of the arbitral awards may be different, and there may be difficulties in enforcing the arbitral awards in France**

The terms of the Bonds provide that any dispute arising from or in connection with the Bonds shall be submitted to CIETAC for arbitration in Beijing to be conducted in accordance with the CIETAC arbitration rules in effect at the time of the submission for arbitration. The terms of the Bonds further provide that the arbitral award shall be final and binding upon all parties.

The Issuer is a company incorporated under the laws of France and a substantial portion of its assets are located in France.

An arbitral award issued against the Issuer in accordance with Term (31) (*Dispute*

*Resolution*) of the Terms of the Bonds would be recognized and declared enforceable in the French Republic without a review of the merits through a procedure called “*procédure d’exequatur*” under Articles 1514 et seq. of the French Civil Procedure Code, following non-adversarial application (*requête*) made to the Paris Civil Court (*Tribunal judiciaire de Paris*), provided that the conditions required by French law for the granting of exequatur are met, such conditions being: (i) existence of the arbitral award is established by the party requesting the order and (ii) recognition or enforcement of the arbitral award would not manifestly contravene French international public policy provisions (*ordre public international*).

Appeal of such an exequatur order is available only on the grounds set forth in Article 1520 of the French Civil Procedure Code, which are the following:

- (i) the arbitral tribunal wrongly declared having jurisdiction or not having jurisdiction;
- (ii) the arbitral tribunal was irregularly constituted;
- (iii) the arbitral tribunal failed to render its decision in accordance with its mission;
- (iv) due process (*principe du contradictoire*) was violated; or
- (v) the recognition or enforcement of the arbitral award is contrary to international public policy provisions (*ordre public international*).

Enforcement of the arbitral award is not stayed pending appeal of the exequatur order, unless the President of the Court of Appeals orders otherwise pursuant to Article 1526 of the French Civil Procedure Code.

Enforcement of any arbitral award is subject to all applicable crisis prevention and management measures applicable to credit institutions, including any measure affecting equity holders’ and/or creditors’ rights in the context or outside of resolution or similar proceedings and bankruptcy, liquidation, winding-up, insolvency, reorganization, moratorium, or similar laws now or hereafter in effect affecting creditor's rights generally.

Therefore, there is no assurance that the arbitral award rendered by CIETAC against the Issuer can be successfully enforced.

## SECTION 5: TERMS OF THE BONDS AND OFFERING ARRANGEMENTS

### 1. Terms of the Bonds

**(1) Name of the Bonds**

Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1)

**(2) Issuer**

Crédit Agricole S.A.

**(3) Aggregate Principal Amount of the Bonds**

RMB1 billion.

**(4) Status of the Bonds**

The Bonds are Senior Preferred Obligations and constitute, with their interests, direct, unconditional, unsubordinated (senior) and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and with other Senior Preferred Obligations, and ranking:

(i) senior to Senior Non-Preferred Obligations of the Issuer and any liabilities ranking junior to Senior Non-Preferred Obligations, and

(ii) junior to all present and future claims benefiting from statutory preferences.

Notwithstanding anything to the contrary in the Terms, this Term (4) shall be governed by, and construed in accordance with, French law.

**(5) Unsecured**

The Bonds are unsecured.

**(6) No Negative Pledge**

There is no negative pledge in respect of the Bonds.

**(7) Form of the Bonds**

The Bonds will be issued in real name book-entry form, to be centrally held in custody by the Custody Institution designated by PBOC.

**(8) Tenor of the Bonds**

The tenor of the Bonds will be three (3) years.

**(9) Use of Proceeds**

For the net proceeds from the offering of the bonds under the Program, (i) no less than 60% of the net proceeds will be retained in Renminbi and used onshore to support the Issuer's and its subsidiaries' business activities and development in the PRC; and (ii) no more than 40% of the net proceeds may be swapped to other currencies or retained in RMB to be used offshore for the general corporate

purposes of the Issuer, subject to the offshore RMB funding needs of the Issuer and market conditions.

Notwithstanding the above, the net proceeds from the offering of the Bonds, i.e. the first issuance under the Programme, will be remitted offshore and used to support the Issuer's and its subsidiaries' business activities, subject to the satisfaction of the applicable requirements of the regulatory authorities and completion of the required procedures under the applicable PRC laws and regulations.

**(10) Denomination**

The Bonds will be issued in denominations of RMB 100, i.e. with each accounting entry for a Bond being RMB 100.

**(11) Issue Price**

The Bonds will be issued at par value.

**(12) Minimum Subscription Amount**

The amount to be subscribed by an investor shall be RMB 10,000,000 or integral multiples of RMB 10,000,000 in excess thereof.

**(13) Interest Basis**

The interest on the Bonds shall be fixed, based on an annual rate and calculated at simple interest, without any compounding.

If the interest on the Bonds is required to be calculated for any period shorter than a year, it will be calculated on the basis of the actual number of days in such period in respect of which payment is being made, divided by 365 days or, in a leap year, 366 days.

**(14) Interest Rate**

The interest rate on the Bonds shall be fixed. The final interest rate shall be disclosed in an announcement made in accordance with the applicable rules and be determined by the Issuer and the Principal Underwriters after the Bookbuilding exercise in respect of the Bonds. The interest rate shall not change during the tenor of the Bonds.

**(15) Bookbuilding Dates for the Bonds**

11 July 2023 and 12 July 2023.

**(16) Settlement Date for the Bonds**

14 July 2023.

**(17) Interest Payment Period for the Bonds**

From 14 July 2023 to 13 July 2026.

**(18) Interest Payment Dates for the Bonds**

Each Interest Payment Date is 14 July 2024, 14 July 2025 and 14 July 2026. If an Interest Payment Date is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid as a result of each such delay in payment.

**(19) Maturity Date for the Bonds**

The Maturity Date is 14 July 2026. If the Maturity Date is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid on the principal of the Bonds as a result of any such delay in payment.

**(20) Method of Payment of Principal and Interest**

Interest on the Bonds shall be paid on an Interest Payment Date. The principal of the Bonds shall be paid in one lump sum on the Maturity Date. The interest and principal payable in respect of the Bonds shall be made in accordance with the rules of the Custody Institution designated by PBOC, and shall be completed by the Custody Institution designated by PBOC.

If any Interest Payment Date or the Maturity Date is not a Business Day, the Bondholders will not be paid such interest or principal until the next following Business Day nor any interest or other sum in respect of such postponed payment. The Issuer shall, for so long as the Bonds are outstanding, at least five (5) Business Days prior to any Interest Payment Date or the Maturity Date (as the case may be), publish, or procure the publication of, an “Interest Payment Announcement” or “Redemption at Maturity Announcement” through the Designated Disclosure Methods. The interest and principal payable in respect of the Bonds shall be made in accordance with the rules of the Custody Institution, and shall be completed by the Custody Institution. Any payment made by or on behalf of the Issuer to the Custody Institution or its agent pursuant to the relevant agreement between the Issuer and the Custody Institution for the account of a person in whose name any of the Bond is, at the time such payment is made, registered in the register held by the Custody Institution, constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Bond in relation to which such payment was made.

**(21) Offering Method**

The Bonds will be offered by way of a public offering through Bookbuilding and placement.

**(22) Target Investors**

Any institutional investor on the Interbank Market unless otherwise restricted by the laws or regulations.

Offshore investors participating in the subscription or purchase of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Markets released by PBOC, as well as applicable rules issued by other relevant authorities.

For other information on target investors, please also refer to “Statements of the Issuer – Statement regarding the Selling Restrictions of the Issuer” and Section 13 “Selling Restrictions.”

## **(23) Early Redemption**

### **(a) Redemption for tax reasons**

- **Redemption of the Bonds upon the occurrence of a Withholding Tax Event**

If, by reason of any change in French laws or regulations or any change in the official application or interpretation of such laws or regulations, becoming effective on or after the date of issuance of the Bonds, the Issuer would, on the occasion of the next payment of interest due in respect of the Bonds, not be able to make such payment without having to pay Additional Amounts as specified under Term (28) (*Taxation Considerations*) (a “**Withholding Tax Event**”), the Issuer may, at its option and at any time, but subject to such redemption not being prohibited by the Applicable MREL/TLAC Regulations or for reasons of force majeure and to the prior consent of the Relevant Regulator and/or the Relevant Resolution Authority if required, and subject further to having given not more than forty-five (45) nor less than thirty (30) calendar days’ prior notice to the Bondholders (which notice shall be irrevocable) published through the Designated Disclosure Methods, redeem all, but not some only, of such outstanding Bonds at their principal amount (together with any interest accrued thereon but unpaid to the date set for redemption) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of interest without being required under Term (28) (*Taxation Considerations*) to pay such Additional Amounts.

- **Redemption of the Bonds upon the occurrence of a Gross-Up Event**

If the Issuer would on the next payment of interest in respect of the Bonds be required by Term (28) (*Taxation Considerations*) to pay any Additional Amounts, but would be prevented by French law or

regulations from doing so (a “**Gross-Up Event**”), then the Issuer may, at its option and at any time but subject to such redemption not being prohibited by the Applicable MREL/TLAC Regulations or for reasons of force majeure and to the prior consent of the Relevant Regulator and/or the Relevant Resolution Authority, if required, and subject further to having given not more than forty-five (45) nor less than thirty (30) calendar days’ prior notice to the Bondholders (which notice shall be irrevocable) published through the Designated Disclosure Methods, redeem all, but not some only, of the Bonds then outstanding at their principal amount (together with any interest accrued thereon (but unpaid) to the date set for redemption) on the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Bonds, provided that if such notice would expire after such latest practicable date, the date for redemption pursuant to such notice of Bondholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Bonds and (ii) fourteen (14) calendar days after giving notice to the Bondholders through the Designated Disclosure Methods.

**(b) Redemption of the Bonds for Reasons of Force Majeure**

The Issuer may, at its option and at any time, subject to such redemption not being prohibited by the Applicable MREL/TLAC Regulations or for reasons of force majeure and to the prior consent of the Relevant Regulator and/or the Relevant Resolution Authority, if required, and subject further to having given not more than forty-five (45) nor less than thirty (30) calendar days’ prior notice to the Bondholders (which notice shall be irrevocable) published through the Designated Disclosure Methods, if the performance of, or the compliance with, one or more of the Issuer’s obligations under the Bonds shall have become unlawful or impracticable in whole or in part, including without limitation as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power, redeem all (but not some only) of the outstanding principal amount of the Bonds (together with any interest accrued thereon but unpaid to the date set for redemption).

**(24) Put Events**

No investor has any right to require the Issuer to redeem the Bonds prior to their Maturity Date.

**(25) Credit Rating**



The Bonds were assigned a credit rating of AAA<sub>spc</sub> by the Credit Rating Agency on 4 July 2023.

**(26) Trading**

After the completion of the issue of the Bonds and confirmation of the rights and obligations relating to the Bonds, and upon completion of registration with the Custody Institution designated by PBOC, the Bonds can be traded on the Interbank Market in accordance with its rules.

**(27) Custody Institution**

The Shanghai Clearing House, as the Custody Institution designated by PBOC.

**(28) Taxation Considerations**

**(a) General provisions**

All payments in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges imposed or levied by or on behalf of the Republic of France, or any authority therein or thereof, having the power to tax, unless the withholding or deduction of such taxes is required by law (a “**Withholding**”).

**(b) Additional Amounts**

If there is a Withholding on any payment of interest in respect of the Bonds, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the Bondholders after such deduction or withholding, will receive the same amounts of interest as would have been received by them had no such withholding or deduction been required; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any payment of interest in connection with any Bond, as the case may be:

(i) to, or to a third party on behalf of, a Bondholder who is subject to such taxes, duties, assessments or governmental charges in respect of the Bonds by reason of his having some connection with the Republic of France other than the mere holding of the Bonds; or

(ii) where such withholding or deduction is imposed pursuant to FATCA.

**(29) Form of Underwriting**

The Bonds will be underwritten by the Principal Underwriters on a standby commitment underwriting basis pursuant to the Underwriting Agreement.

**(30) Governing Law**

The Bonds will be governed by, and construed in accordance with, the PRC law (save as otherwise indicated herein).

**(31) Dispute Resolution**

Any dispute arising out of or in connection with the Bonds shall be submitted to the China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration in Beijing to be conducted in accordance with the CIETAC Arbitration Rules in effect at the time of the submission of the dispute for arbitration. The arbitral tribunal shall consist of three (3) arbitrators. Each of the Issuer as a party and the Bondholders participating in the dispute as the other party may appoint any person, whether on the arbitrator list provided by CIETAC or not, as an arbitrator. Unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators, the third arbitrator shall be chosen by CIETAC. The arbitration proceedings shall be conducted in both English and Chinese. The arbitral award is final and binding upon all parties.

**(32) No Event of Default**

There are no events of default under the Bonds which would lead to an acceleration of such Bonds if certain events occur. However, if any judgment were issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer were liquidated for any other reason (*liquidation amiable*), then the Bonds would become immediately due and payable.

**(33) Modification, Waiver and Substitution**

The Issuer may, without the consent of the Bondholders, amend, modify, waive or delegate any matter:

- (i) where the amendment, modification, waiver or delegation does not prejudice the interests of the Bondholders (provided the proposed amendment, modification, waiver or delegation does not relate to a matter in respect of which an Extraordinary Resolution (as defined below) would be required if a meeting of Bondholders were held to consider such modification); or
- (ii) where the amendment or modification of the Bonds is of a formal, minor or technical nature or is made to correct a manifest error or where the amendment or modification, waiver or delegation is made to comply with mandatory provisions of law.

The Issuer shall publish the terms of the Bonds so modified in accordance with this Term (33) through the Designated Disclosure Methods, and the terms of the Bonds so modified shall become effective upon the expiration of thirty (30) days of the Issuer’s publication of the modified terms in accordance with this Term

(33). Any such modification, authorisation or waiver shall be binding on the Bondholders.

**(34) Meetings of Bondholders**

*Investors may consider the provisions in Section 18 “Investor Protection Mechanism” of this Offering Circular relating to the convening of meetings of Bondholders to consider any matter affecting their interest, including the adoption of an Extraordinary Resolution or Special Quorum Resolution to amend the terms of the Bonds or any other arrangements.*

**(a) Definitions**

- (i) **“meeting”** means a meeting of Bondholders of the Bonds and include, unless the context otherwise requires, any adjournment.
- (ii) **“agent”** means a holder of a voting certificate or a proxy for, or representative of, a Bondholder.
- (iii) **“Ordinary Resolution”** means all resolutions, other than the Extraordinary Resolutions and Special Quorum Resolutions (both terms as defined below), passed at a meeting of the Bondholders duly convened and held in accordance with the Terms.
- (iv) **“Extraordinary Resolution”** means a resolution passed (a) at a meeting duly convened and held in accordance with this term by a majority of at least 75% of the votes cast or (b) by a Written Resolution (as defined below), in relation to the following matters, namely:
  - to sanction any proposal by the Issuer or any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer, whether or not those rights arise under the Bonds;
  - to assent to any modification of the Bonds proposed by the Issuer;
  - to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
  - to give any authority, direction or sanction required to be given by Extraordinary Resolution; and
  - to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders’ interests and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution
- (v) **“Special Quorum Resolution”** means, the business of the meeting includes consideration of proposals, *inter alia*, to:

- amend Maturity Date or Interest Payment Date on the Bonds;
- reduce or cancel the principal amount of the Bonds;
- reduce the interest rate in respect of the Bonds or to vary the method or basis of calculating the interest rate or interest amount in respect of the Bonds;
- vary the currency or currencies of payment of principal or interest on the Bonds;
- modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass the Extraordinary Resolution;
- make any change in the ranking or priority of the Bonds that would materially adversely affect the Bondholders; or
- amend this provision.

(vi) **“Written Resolution”** means a resolution in writing signed by the holders of at least 75% in principal amount of the Bonds outstanding.

**(b) Quorum, Voting Requirements, Adjournment and Written Resolutions**

Purpose of the Meeting	Any meeting except for the meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum	Written Resolutions
Ordinary Resolution	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 10% in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing whatever the proportion of the Bonds	
	<b>Voting requirements:</b> not less than 50% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 50% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding

<b>Extraordinary Resolution</b>	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing a clear majority (50%) in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing whatever the proportion of the Bonds	
	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding
<b>Special Quorum Resolutions</b>	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 75% in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 25% in principal amount of the Bonds for the time being outstanding	
	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding

**(35) Statutory Write-Down or Conversion**

**(a) Acknowledgement**

Notwithstanding any other term of the Bonds or any other agreement, arrangement or understanding between the Issuer and the holders of any Bond, by its acquisition of any Bond, each Bondholder (which for the purposes of this Term (35) includes each holder of a beneficial interest in any Bond) acknowledges, accepts, consents and agrees:

- (i) to be bound by the effect of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
- the reduction of all, or a portion, of the Amounts Due on a permanent basis;
  - the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the holder of the Bonds of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of such Bonds, in which case the holder of such Bonds agrees to accept *in lieu* of its rights under such Bonds any such shares, other securities or other obligations of the Issuer or another person;
  - the cancellation of the Bonds;
  - the amendment or alteration of the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the Terms are subject to, and may be varied, if necessary, to give effect to, the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority.

**(b) Payment of Interest and Other Outstanding Amounts Due**

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of the Crédit Agricole Group.

**(c) No Event of Default**

Neither a cancellation of the Bonds, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Bonds will be an event of default or otherwise constitute non-performance of a

contractual obligation, or entitle the holder of such Bonds to any remedies (including equitable remedies) which are hereby expressly waived.

**(d) Notice to Bondholders**

Upon the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Bonds, the Issuer will publish an announcement through the Designated Disclosure Methods as soon as practicable regarding such exercise of the Statutory Loss Absorption Powers.

Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Statutory Loss Absorption Powers nor the effects on the Bonds described in this Term (35).

**(e) Duties of the Custody Institution**

Upon the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority, neither the Custody Institution nor the Post-Issuance Manager shall be required to take any directions from Bondholders.

**(f) Proration**

If the Relevant Resolution Authority exercises the Statutory Loss Absorption Powers with respect to less than the total Amounts Due, unless otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Bonds pursuant to the Statutory Loss Absorption Powers will be made on a *pro-rata* basis.

**(g) Conditions Exhaustive**

The matters set forth in this Term (35) shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of Bonds.

**(36) Waiver of Set-Off**

No holder of any Bonds may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Bond) and each such holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Term (36) is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting,

compensation, retention or counterclaim or that any such right is or would be available to any holder of any Bond but for this Term(36).

For the purposes of this Term (36), “**Waived Set-Off Rights**” means any and all rights of or claims of any holder of any Bond for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Bond.

## **2. Plan of Offering of the Bonds**

### **(1) Bookbuilding arrangements**

The Bonds will be offered through Bookbuilding and centralized allocation in a public offering. Specific methods and requirements for investors to participate in the Bookbuilding and placement of the Bonds are set forth in the Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1) Subscription Range and Subscription Indicative Statement to be published. Underwriting Syndicate members must submit to the Lead Bookrunner the Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1) Subscription Offer (the “**Subscription Offer**”) through fax between 9:00 am and 6:00 pm (Beijing Time) on 11 July 2023 and 12 July 2023, and the time of subscription shall be the time at which the distinct Subscription Offer is submitted to the Lead Bookrunner through the fax.

The minimum subscription amount for the Bonds shall be RMB10,000,000 or integral multiples of RMB10,000,000 in excess thereof.

### **(2) Plan of distribution**

Subscribers of the Bonds shall be institutional investors on the Interbank Market unless otherwise restricted by the laws or regulations.

PRC investors shall open Class A or B holders’ accounts with the Custody Institution designated by PBOC, or open Class C holders’ accounts through settlement agents on the Interbank Market. Other institutional investors may open Class C holders’ accounts with the Custody Institution designated by PBOC through the underwriters or settlement agents on the Interbank Market.

Offshore investors participating in the subscription or purchase of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Markets released by PBOC, as well as applicable rules issued by other relevant authorities.

### **(3) Payment and Settlement Arrangements**

Payment time: Prior to 11:00 am on the Settlement Date.

The Lead Bookrunner shall send the Crédit Agricole S.A. 2023 Renminbi Bonds (Series 1) Placement Confirmation and Notice of Payment (the “**Notice of Payment**”) through fax after the Bookbuilding, giving notice to each Underwriting Syndicate



member their respective allocation amount and the amount of subscription money payable, payment date and accounts.

Members of the Underwriting Syndicate shall, prior to 11:00 am on the Settlement Date, transfer the subscription monies for the Bonds to the following account in accordance with their respective allocation amount as set forth in the Notice of Payment given by the Lead Bookrunner:

Account name: Head Office of Bank of China Limited  
Account bank: Head Office of Bank of China Limited  
Account number: 110400393  
CNAPS code: 104100000004

Any failure by a qualified underwriter to pay its respective allocation amount in full shall be dealt with in accordance with relevant rules of PBOC and the relevant provisions of the Underwriting Agreement.

Upon the completion of the issuance of the Bonds, the Bonds can be transferred or pledged in accordance with the requirements by Competent Authorities.

#### **(4) Registration and Custody Arrangements**

The Bonds will be issued in real-name book entry form. Bonds purchased by investors will be registered and held in a custodian account with the Custody Institution designated by PBOC.

Investors are not required to pay additional fees when preparing for the subscription, registration or custody of the Bonds. Investors shall follow applicable rules and regulations of the Custody Institution designated by PBOC governing the bond registration and custody procedures.

If there are any conflicts or contraventions between the above provisions relating to the subscription and custody of the Bonds and any laws, regulations or rules of the Custody Institution designated by PBOC currently in force or amended or issued from time to time, the provisions of any laws, regulations or rules of the Custody Institution designated by PBOC currently in force or amended or issued from time to time shall prevail.

#### **(5) Trading Arrangements**

After the completion of the issue of the Bonds and the creation of the rights and obligations relating to the Bonds, and upon completion of registration with the Custody Institution designated by PBOC, the Bonds can be traded on the Interbank Market in accordance with its rules.

### **3. Issuer's Representations and Warranties**

- (i) The Issuer is duly established under French law;
- (ii) the Issuer has full power and capacity to execute and issue this Offering Circular, to create and issue the Bonds, and to perform its obligations thereunder, and has taken

all necessary action to approve and to authorize the same;

- (iii) the issuance of the Bonds by the Issuer, the performance of its obligations under the Bonds and this Offering Circular and the exercise of any of its rights under the Bonds and this Offering Circular will not contravene any laws, regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to the Issuer which would have a material adverse effect on the Issuer's ability to pay, or if there exists any contravention, the Issuer has obtained valid waivers from the relevant regulators and/or Competent Authorities, and such waivers are legal, valid and can be specifically enforced in accordance with the laws of the PRC;
- (iv) with respect to the Bonds, and in compliance with the requirements of regulators and Competent Authorities, the Issuer has made submissions, registrations or filings of all reports, resolutions, declarations or other documents required in relation to the Bonds in a timely manner and proper form, and will submit, register or file all reports, resolutions, declarations or other documents required in relation to the Bonds in a timely manner and proper form;
- (v) consolidated financial statements of the Issuer for the financial years of 2020, 2021 and 2022 were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2020, 2021 and 2022 and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting; and
- (vi) this Offering Circular and any amendment or supplement thereto (each such amendment or supplement, an **"Offering Circular Updating Report"**) (if any) is true and accurate in all material respects.

#### **4. Investor's Representations and Warranties**

Each investor represents and warrants to and (where applicable) agrees with the Issuer that:

- (1) such investor is a qualified member of the Interbank Market;
- (2) such investor has corporate power, authorizations and legal rights to purchase the Bonds, and to take actions as a legal person or other actions necessary for the purchase of the Bonds;
- (3) the purchase of the Bonds or the performance of obligations under the Bonds or the exercise of any rights under the Bonds by the investors will not contravene any laws, regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to the investors;
- (4) the investor purchasing the Bonds fully understands and has carefully considered all the risks relating to the Bonds, including but not limited to the risks described in Section 4 "Risk Factors" of this Offering Circular;
- (5) such investor fully understands and accepts the provisions in this Offering Circular in respect of the rights and obligations under the Bonds and agrees to be bound by them,

and has obtained necessary advice from its legal or other professional advisers;

- (6) after the completion of the issuance of the Bonds, where future needs of the Issuer arise, upon obtaining the approval from relevant approval authorities, the Issuer may continue to issue debt instruments which either rank *pari passu* or senior to the Bonds, without requiring the consent of the investors of the Bonds;
- (7) where any modifications to the Terms of the Bonds are made in accordance with Term (33) (*Modification, Waiver and Substitution*) of the Terms of the Bonds, upon the approval by the Competent Authorities (if applicable) and after disclosure in respect thereof in accordance with applicable laws and regulations and the Terms of the Bonds set out in Section 5 of this Offering Circular, investors agree to and accept such modifications; and
- (8) offshore investors participating in the subscription or purchase of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Markets released by PBOC, as well as applicable rules issued by other relevant authorities.

## SECTION 6: BASIC INFORMATION AND MANAGEMENT OF THE ISSUER

### 1. OVERVIEW

#### Basic Information about the Issuer

Chinese name of the Issuer: 法国农业信贷银行

English name of the Issuer: Crédit Agricole S.A.

Registered Address of Crédit Agricole S.A.: 12, place des Etats-Unis, 92127 Montrouge Cedex, France

Contact: Aurélien Harff, Deputy Head of Crédit Agricole Group Medium and Long Term Funding

Tel: +33 (0) 141890130

Website: <https://www.credit-agricole.com/>

### 2. HISTORY AND PRINCIPAL SHAREHOLDERS OF THE ISSUER

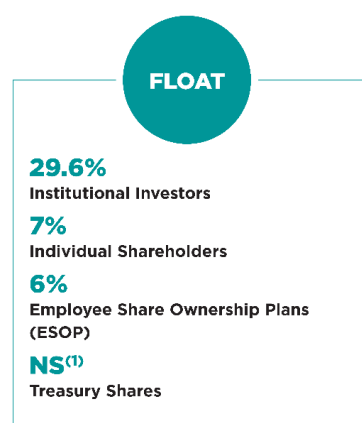
The Issuer and its consolidated subsidiaries constitute the Crédit Agricole S.A. Group. The Crédit Agricole S.A. Group, the Regional Banks (as defined below), the Caisses Locales de Crédit Agricole (the “**Local Banks**”) and their respective subsidiaries, constitute Crédit Agricole Group.

The Issuer, formerly known as the *Caisse Nationale de Crédit Agricole* (“**CNCA**”), was created by public decree in 1920 to distribute advances to and monitor a group of regional mutual banks known as the *Caisses Régionales de Crédit Agricole Mutuel* (the “**Regional Banks**”) on behalf of the French State. In 1988, the French State privatised CNCA in a mutualisation process, transferring the majority of its interest in CNCA to the Regional Banks. In 2001, the Issuer was listed on Euronext Paris. At the time of the listing, the Issuer acquired approximately 25% interests in each of the Regional Banks except the *Caisse Régionale de la Corse* (100% acquired by the Issuer in 2008). As of 30 June 2016, there were 39 Regional Banks, including (i) the *Caisse Régionale de la Corse* (99.9% owned by the Issuer), and (ii) 38 Regional Banks in each of which the Issuer holds approximately 25% interests. On 3 August 2016, the Issuer transferred substantially all of its interests in the 38 Regional Banks (except the *Caisse Régionale de la Corse*) to a company wholly owned by the Regional Banks.

The organisational structure of Cr dit Agricole Group as of 31 December 2022 is presented below:

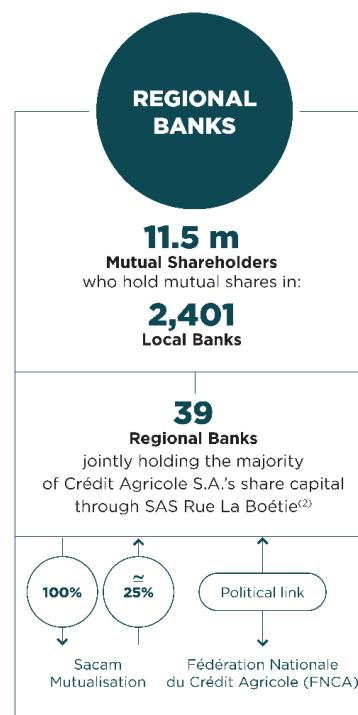
## Cr dit Agricole Group

Cr dit Agricole Group includes Cr dit Agricole S.A., as well as all of the Regional Banks and local Banks and their subsidiaries.



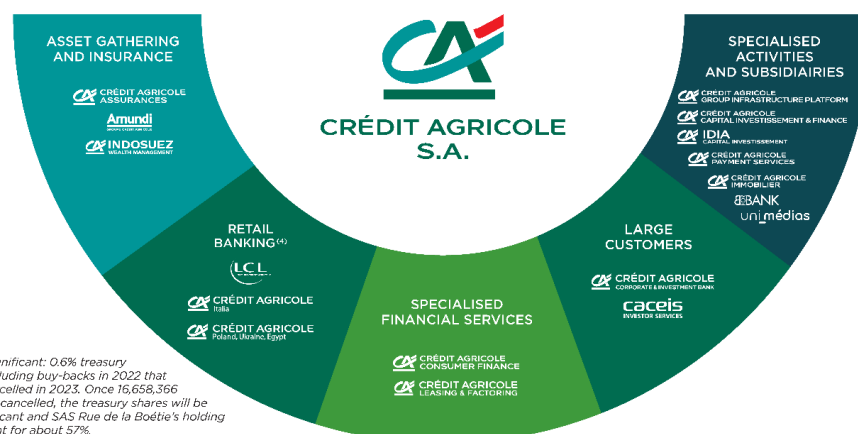
Holding

**43.2%**



Holding

**56.8%<sup>(3)</sup>**



(1) Non-significant: 0.6% treasury shares, including buy-backs in 2022 that will be cancelled in 2023. Once 16,658,366 shares are cancelled, the treasury shares will be non-significant and SAS Rue de la Bo tie's holding will account for about 57%.

(2) The Regional Bank of Corsica, 99.9% owned by Cr dit Agricole S.A., is a shareholder of SACAM Mutualisation.

(3) Excluding information made to the market by SAS Rue La Bo tie, in November 2022, regarding its intention to purchase by the end of the first half year of 2023 Cr dit Agricole S.A. shares on the market for a maximum amount of one billion euros.

(4) Disposal of Cr dit du Maroc in December 2022.

At the end of 2022, the Issuer had 72,758 full-time equivalent employees and was present in 42 countries.

The Issuer acts as the Central Body (Organe Central) of the "Cr dit Agricole Network", which is defined by French law to include the Issuer, the Regional Banks, the Local Banks and also other affiliated members (primarily Cr dit Agricole CIB). The Issuer coordinates the Regional

Banks' commercial and marketing strategy, and through its specialised subsidiaries, designs and manages financial products that are distributed primarily by the Regional Banks and LCL. In addition, the Issuer, as part of its duties as the Central Body of the Cr dit Agricole Network, acts as "central bank" to the network with regards to refinancing, supervision and reporting to the regulatory authorities, and manages and monitors the credit and financial risks of all network and affiliated members.

Pursuant to Article L.511-31 of the French Monetary and Financial Code, as the Central Body of the Cr dit Agricole Network, the Issuer must take all necessary measures to guarantee the liquidity and solvency of each member of the network, of affiliated members, and of the network as a whole. Each member of the network (including the Issuer), and each affiliated member, benefits from this financial support mechanism.

In addition, the Regional Banks guarantee, through a joint and several guarantee (the "**1988 Guarantee**"), all of the obligations of the Issuer to third parties, should the assets of the Issuer be insufficient after its liquidation or dissolution. The potential liability of the Regional Banks under the 1988 Guarantee is equal to the aggregate of their share capital, reserves and retained earnings.

The BRRD, together with the SRM, provide for a resolution regime with respect to credit institutions that are failing or likely to fail, or that require extraordinary financial public support. This resolution regime has no impact on the financial support mechanism provided in Article L.511-31 of the French Monetary and Financial Code, as applied to the Cr dit Agricole Network, which should be implemented before any resolution measure occurs. However, the application of the resolution regime to Cr dit Agricole Group could limit the cases in which a demand for payment may be made under the 1988 Guarantee, should a resolution take place before liquidation.

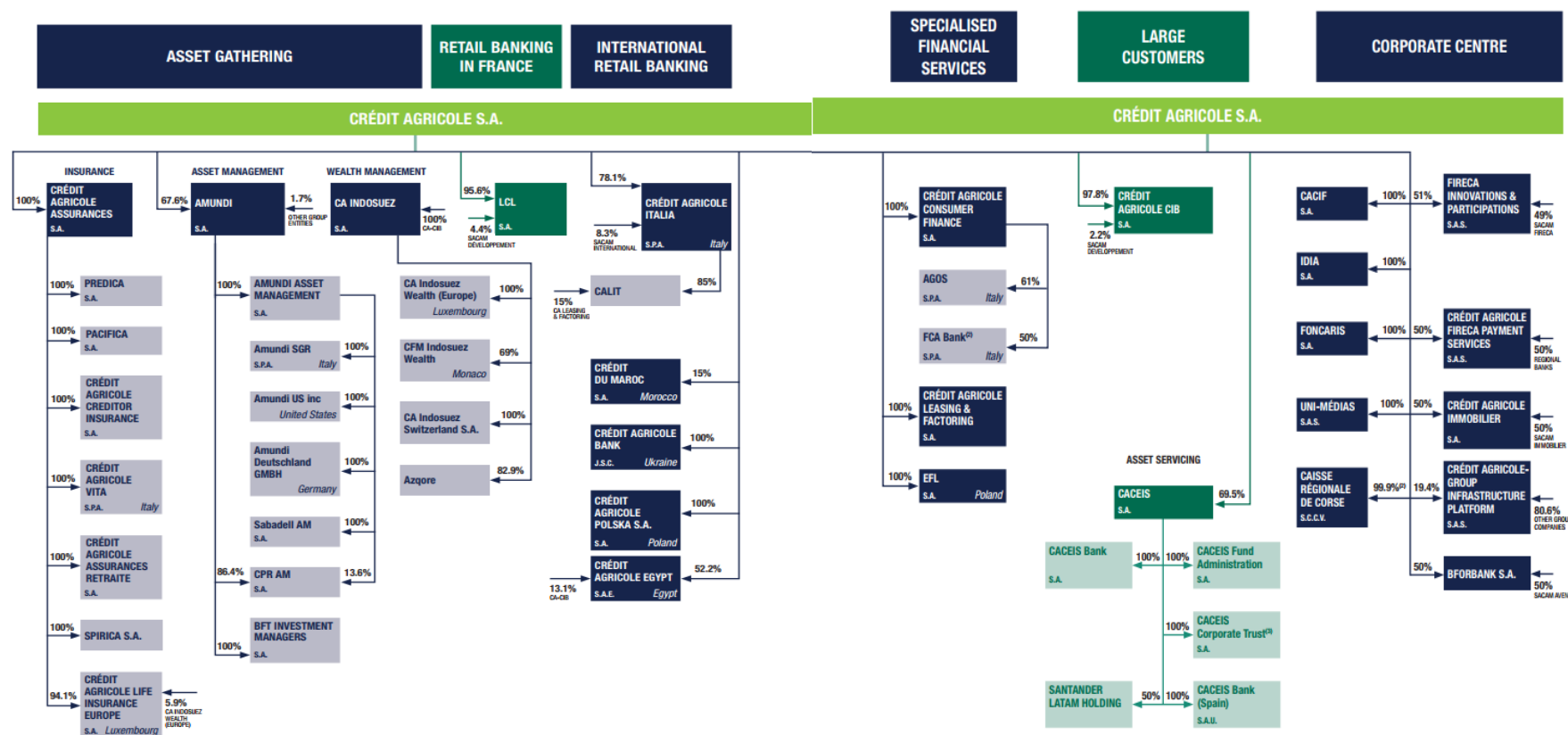
### **3. ORGANISATIONAL STRUCTURE OF CRÉDIT AGRICOLE S.A.**

The following chart presents the structure of the Issuer at 31 December 2022:

# CRÉDIT AGRICOLE S.A.

% OF OWNERSHIP INTEREST<sup>(1)</sup>

AT 31 DECEMBER 2022



- (1) Percentage of direct ownership interest of the Issuer and its subsidiaries, excluding treasury shares.
- (2) During the first half of 2023, Crédit Agricole Consumer Finance will acquire 100% of FCA Bank and will launch a joint venture with Stellantis formed from the merger of the Leasys and Free2Move businesses, in which it will hold a 50% stake.
- (3) On 1 January 2023, the issuer services of CACEIS and BNP Paribas in France will be combined into a new structure, Uptevia, owned equally by the two banks.

Note: This is a simplified organisation chart that aims to show the main Issuer's entities; for an exhaustive scope of consolidation, please refer to Note 12 to the Issuer's 2022 Financial Statements; financial flows between the Issuer and its subsidiaries are, where necessary, the subject of related-party agreements, which are themselves the subject of a Statutory Auditors' special report; the Crédit Agricole Group's internal mechanisms (particularly those between Issuer and the Regional Banks) are detailed in the paragraph "Internal financing mechanisms", which appears in the introduction to the Issuer's 2022 Financial Statements.



#### **4. OVERVIEW OF THE ISSUER AND THE ISSUER'S POSITION IN THE INDUSTRY**

The Issuer is a French Public Limited Company (*Société Anonyme*) with a Board of Directors governed by ordinary company law and more specifically by Book II of the French Commercial Code., which is also subject to the provisions of the French Monetary and Financial Code and more specifically Articles L. 512- 47 et seq. thereof.

The Issuer was licensed as an authorised lending institution in the mutual and cooperative banks category on 17 November 1984. As such, it is subject to oversight by the banking supervisory authorities, and more particularly by the French Regulatory and Resolution Supervisory Authority (ACPR) and the European Central Bank. The Issuer's shares are admitted for trading on Euronext Paris. The Issuer is subject to the prevailing stock market regulations particularly with respect to public disclosure obligations.

As at 31 December 2022, the Issuer's total assets, net customer loans<sup>24</sup> and customer deposits<sup>25</sup> amounted to €2,167.6 billion, €1,057.4 billion and €1,112.1 billion, respectively. The Issuer's net income Group share decreased from €5,844 million in 2021 to €5,437 million in 2022, and revenues totalled €23,801 million in 2022 as compared to €22,657 million in 2021. The underlying return on tangible equity (RoTE) reached 12.6% in full-year 2022, a decrease of 0.5 percentage points compared to 2021.

As at 31 December 2022, the Group's total assets, net customer loans<sup>26</sup> and customer deposits<sup>27</sup> amounted to €2,379.1 billion, €1,228.7 billion and €1,248.0 billion, respectively. The net income Group share decreased from €9,101 million in 2021 to €8,144 million in 2022 and revenues totalled €38,162 million in 2022 as compared to €36,822 million in 2021.

In the first three months of 2023, the Issuer's net income Group share increased to €1,226 million from €571 million in the same period of 2022, and revenues totalled €6,121 million in the first three months of 2023 as compared to €5,584 million in the same period of 2022.

In the first three months of 2023, the Group's net income Group share increased to €1,669 million from €1,350 million in the same period of 2022, and revenues totalled € 8,927 million in the first three months of 2023 as compared to €8,882 million in the same period of 2022.

#### **5. MATERIAL LITIGATION, ARBITRATION AND ADMINISTRATIVE PROCEEDINGS IN WHICH THE BANK IS INVOLVED**

The main legal and tax proceedings outstanding at the Issuer and its fully consolidated subsidiaries as of 31 March 2023 are described in Section 7 "Operation and Management of the Issuer – Risk Management of the Issuer – Legal Risks."

To the best of the Issuer's knowledge, any legal risks outstanding at 31 March 2023 that could have a negative impact on the Group's net assets have been covered by adequate provisions,

<sup>24</sup> Defined as loans and receivables net of impairments due from credit institutions (including Crédit Agricole internal transactions) and due from customers.

<sup>25</sup> Defined as due to credit institutions (including Crédit Agricole internal transactions) and due to customers.

<sup>26</sup> Defined as loans and receivables net of impairments due from credit institutions and due from customers.

<sup>27</sup> Defined as due to credit institutions and due to customers, including debt instruments issued to retail customers.

which correspond to Executive Management's best estimates, based on the information available to it.

To date, to the best of the Issuer's knowledge, there is no other governmental, judiciary or arbitration proceeding (or any proceeding known by the Issuer, in abeyance or that threatens it) that could have or has had, in the previous 12 months, any substantial effect on the financial situation or the profitability of the Issuer and/or the Group.

## **6. RATINGS BY INTERNATIONAL AND LOCAL RATING AGENCIES**

Set forth below are the ratings assigned by international and local rating agencies to the Bank as at the date of this Offering Circular.

<b>Rating Agency</b>	<b>Issuer Rating</b>	<b>Outlook</b>
Moody's	Aa3	Stable
Standard & Poor's	A+	Stable
Fitch	A+	Stable
S&P Ratings China	AAA <sub>spc</sub>	Stable

## SECTION 7: OPERATION AND MANAGEMENT OF THE ISSUER

### 1. OPERATIONAL CONDITION AND BUSINESS OF THE ISSUER AND THE GROUP

#### (1) Overview of the Issuer's and the Group's business

The Issuer is a French Public Limited Company (*Société Anonyme*) with a Board of Directors governed by ordinary company law and more specifically by Book II of the French Commercial Code, which is also subject to the provisions of the French Monetary and Financial Code and more specifically Articles L. 512- 47 et seq. thereof.

The Issuer was licensed as an authorised lending institution in the mutual and cooperative banks category on 17 November 1984. As such, it is subject to oversight by the banking supervisory authorities, and more particularly by the ACPR and the ECB. The Issuer's shares are admitted for trading on Euronext Paris. The Issuer is subject to the prevailing stock market regulations particularly with respect to public disclosure obligations.

As at 31 December 2022, the Issuer's total assets, net customer loans<sup>28</sup> and customer deposits<sup>29</sup> amounted to €2,167.6 billion, €1,057.4 billion and €1,112.1 billion, respectively. The Issuer's net income Group share decreased from €5,844 million in 2021 to €5,437 million in 2022, and revenues totalled €23,801 million in 2022 as compared to €22,657 million in 2021. The underlying return on tangible equity (RoTE) reached 12.6% in full-year 2022, a decrease of 0.5 percentage points compared to 2021.

As at 31 December 2022, the Group's total assets, net customer loans<sup>30</sup> and customer deposits<sup>31</sup> amounted to €2,379.1 billion, €1,228.7 billion and €1,248.0 billion, respectively. The net income Group share decreased from €9,101 million in 2021 to €8,144 million in 2022 and revenues totalled €38,162 million in 2022 as compared to €36,822 million in 2021.

In the first three months of 2023, the Issuer's net income Group share increased to €1,226 million from €571 million in the same period of 2022, and revenues totalled €6,121 million in the first three months of 2023 as compared to €5,584 million in the same period of 2022.

In the first three months of 2023, the Group's net income Group share increased to €1,669 million from €1,350 million in the same period of 2022, and revenues totalled € 8,927 million in the first three months of 2023 as compared to €8,882 million in the same period of 2022.

#### (2) A Unique Universal Customer-Focused Banking Model – A Global Relationship Bank for All

The Issuer, as a part of the Crédit Agricole Group, benefits from the unique universal customer-focused banking model of the Group. Such model is based on the close association of its retail banks with its specialised business lines. The Regional Banks, LCL and the international retail banks of the Group are at the heart of this model, based on recognised know-how in the

<sup>28</sup> Defined as loans and receivables net of impairments due from credit institutions (including Crédit Agricole internal transactions) and due from customers.

<sup>29</sup> Defined as due to credit institutions (including Crédit Agricole internal transactions) and due to customers.

<sup>30</sup> Defined as loans and receivables net of impairments due from credit institutions and due from customers.

<sup>31</sup> Defined as due to credit institutions and due to customers, including debt instruments issued to retail customers.

distribution of all the financial products and services developed by the Group to all types of customers in France and internationally.

This model underscores the commitment of Crédit Agricole Group and its specialised subsidiaries to be the trusted partner of all of its customers and to cover the full breadth of their needs: financing, payment instruments, insurance, savings management, real estate, international expansion, energy transition support and technology services.

All of these services and skills are offered in a close relationship based on the Group's retail banks in France (Regional Banks, LCL, BforBank) and internationally (including Crédit Agricole Italia and CA Bank Polska etc.).

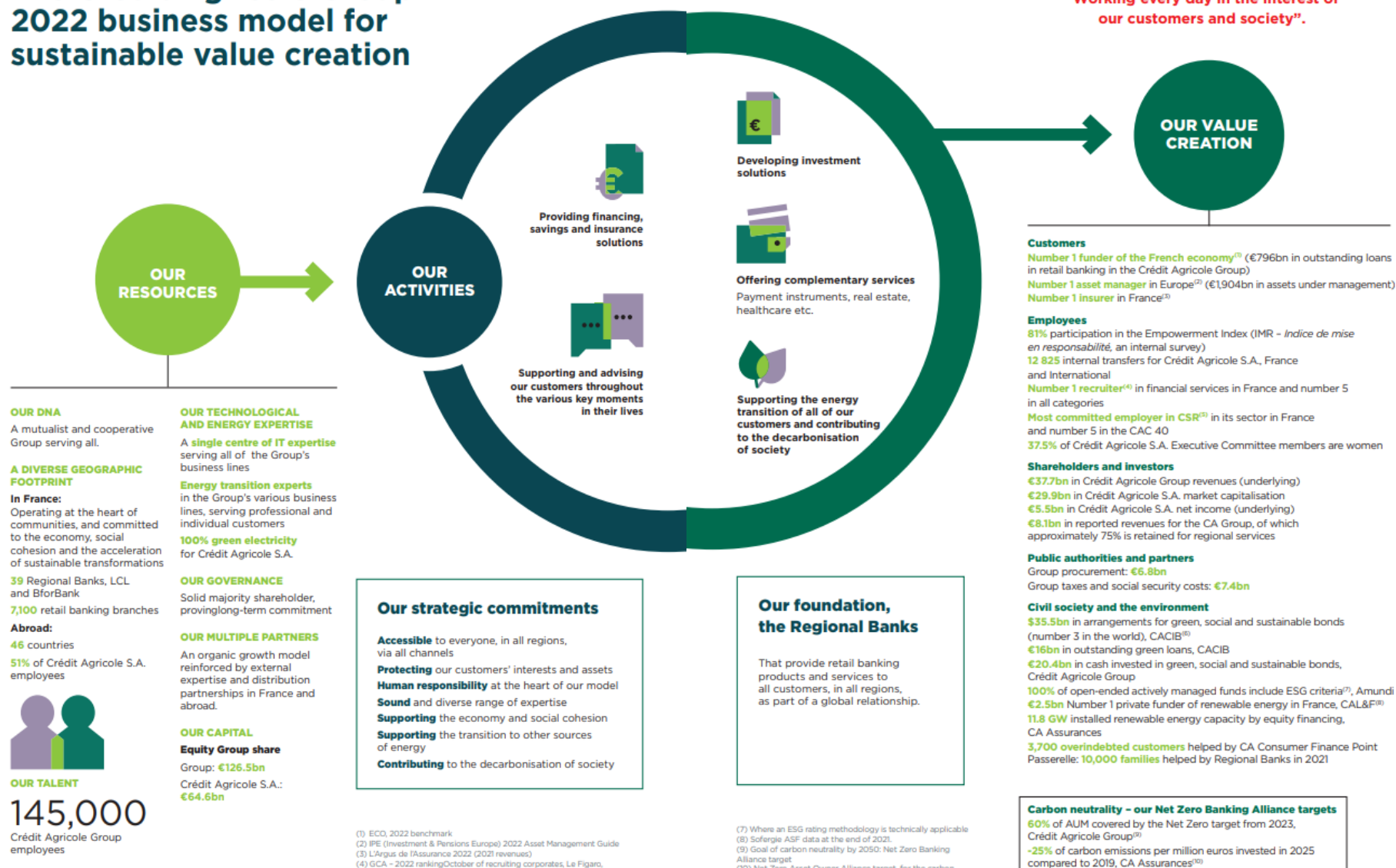
The contacts maintained by employees and elected representatives of Local and Regional Banks in the field provide solid knowledge of customers and their problems over the long term. This understanding of the expectations and needs of customers, together with the strength of the Group's networks, enable the Issuer's specialised business lines to constantly improve their offerings and their competitiveness.

This universal and customer-focused model demonstrated its strength, resilience and usefulness to all stakeholders, including during the unprecedented events of the last two years. The Group was thus able to support all of its customers through the difficult times, but also seize the opportunities of recovery. Such experience also serves to underscore the value of the Group's project, implemented in 2019, which focuses on customers, people and society, and which has been formalised in a ten year vision plan for Regional Banks, and in Issuer's strategic plan "Ambitions 2025" launched in June 2022.

### **(3) Business model and *Raison d'Être***

The business model of the Group is serving sustainable value creation, and "Working every day in the interest of our customers and society" is the Group's *Raison d'Être*. For more details on these, please refer to the 2022 URD available on the Issuer's official website as specified in Section 6 of this Offering Circular.

# The Crédit Agricole Group 2022 business model for sustainable value creation



## 2. DESCRIPTION OF THE ISSUER'S BUSINESS AND ITS PRINCIPAL BUSINESS LINES

The Issuer's organisation is structured around six operating segments:

- the following five business lines:
  - “Asset Gathering”, including insurance, asset management and wealth management;
  - “Retail Banking – LCL”;
  - “International Retail Banking”;
  - “Specialised Financial Services”, including consumer finance and leasing, factoring and finance for energies and regions; and
  - “Large Customers”, including corporate and investment banking and asset servicing.
- as well as the “Corporate Centre.”

### **Asset Gathering**

The Asset Gathering business line mainly includes the following three sectors, namely insurance, asset management and wealth management. For the financial information of Asset Gathering business line, please refer to “*Section 8: Selected Financial information and Analysis of Financial Condition and Results of Operations.*”

### **Insurance**

#### *General*

As France's leading insurer<sup>32</sup>, Crédit Agricole Assurances (CAA) is highly focused on the needs of its customers, whether they are individuals, SMEs and small businesses, corporates or farmers. Its goal is to be useful and effective, from designing solutions and services to handling claims. CAA offers a full and competitive range, tailored to customers' needs in terms of savings/retirement, death & disability/creditor/group and property & casualty insurance, and backed by the efficiency of the largest banking network in Europe and international partnerships outside the Group.

In 2022, the revenues of Crédit Agricole Assurances amounted to €35.3 billion and the number of property & casualty insurance contracts was 15.3 million. As at 31 December 2022, the savings/retirement outstandings amounted to €321 billion. Crédit Agricole Assurances reached a record level in the first quarter of 2023, with total premium income of €11.7 billion at the end of March, up +4.3% compared to March 2022 (+7% at constant scope, excluding La Médicale).

#### *Business and organisation*

Crédit Agricole Assurances (CAA) is the France's leading insurer<sup>33</sup> in terms of premium income and the leading bancassururer<sup>34</sup> in Europe. These positions are supported by a full and

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<sup>32</sup> Source: *L'Argus de l'assurance*, 14 December 2022 (data at end-2021).

<sup>33</sup> Source: *L'Argus de l'assurance*, 14 December 2022 (data at end-2021).

<sup>34</sup> Internal source: data at end-2021.

competitive range of products, tailored to the specific requirements of each domestic market and each local partner, as well as by the power of Cr dit Agricole Group distribution network.

### *Savings and retirement*

Cr dit Agricole Assurances confirmed its position as the leading personal insurer in France<sup>35</sup> in terms of revenues and outstandings.

It offers its customers a wide range of policies for saving, transmitting capital, financing projects or preparing for retirement.

In France, CAA primarily distributes its products to customers of Regional Banks and LCL: individual customers, high net worth customers, farmers, SMEs and small businesses and corporates.

Internationally, Cr dit Agricole Assurances is present through the Cr dit Agricole Group entities in Italy, Luxembourg and Poland, where it continues to export and adapt its bancassurer know-how. It is continuing its development via distribution agreements with external partners in Italy, Portugal, Japan and Luxembourg. In addition, it is expanding through other network types, such as independent wealth management advisers and BforBank.

For the first three months of 2023, in savings/retirement, activity benefited from market recovery and good commercial momentum, particularly in unit-linked contracts, with gross inflows reaching €3.8 billion, up 18.9% year-on-year. Gross inflows reached a record level this quarter at €8.2 billion, with a record unit-linked share of 45.8% (+4.8 percentage points compared to the first quarter of 2022 and +1.4 percentage points compared to the fourth quarter of 2022). Net inflows reached +€0.7 billion this quarter, with positive net inflows from unit-linked contracts (+€2.4 billion) offsetting the decline in inflows from euro funds (-€1.7 billion).

### *Death & disability/creditor/group insurance*

Cr dit Agricole Assurances is the leading provider of individual death & disability insurance in France<sup>36</sup> and second-largest provider of creditor insurance<sup>37</sup>.

The group or death & disability/creditor insurance offering caters for customers wishing to:

- protect themselves and their families from the financial implications of a serious personal accident;
- repay a loan in the event of short-term disability, long-term disability, unemployment thanks to guarantees linked to consumer or home finance;
- provide employees with a supplementary group health and death & disability insurance contract.

The death & disability/health offering works through the Cr dit Agricole banking networks

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<sup>35</sup> Source: *L'Argus de l'assurance*, 20 May 2022 (data at end-2021).

<sup>36</sup> Source: *L'Argus de l'Assurance*, 29 March 2022 (data at end-2021).

<sup>37</sup> Source: *L'Argus de l'Assurance*, 30 August 2022 (data at end-2021).

both in France and abroad. In group insurance, Cr dit Agricole Assurances and Amundi have joined forces to become a leading provider of social protection for companies. With expertise in creditor insurance, Cr dit Agricole Assurances offers its services through more than 50 partners, retail banks and specialised finance companies in seven countries.

For the first three months of 2023, in death & disability/creditor/group insurance, premium income stood at  1.2 billion, down -10% from the first quarter of 2022, in line with the disposal of La M dicale in 2022. At constant scope, premium income increased by +6.3%, with a positive effect on stock resulting in increased creditor insurance premium income<sup>38</sup>.

### *Property & casualty insurance*

Cr dit Agricole Assurances is the leading car, home and healthcare bancassurer<sup>39</sup> and the fifth-largest insurer of property and liability in France<sup>40</sup>.

It offers a full range of property & casualty insurance policies to individual customers, SMEs and small businesses: protection of personal property (car, home, etc.), protection of farming and business assets, protection of mobile electronic devices in the home, legal protection, supplementary health insurance, personal accident cover, specialist policies for the agricultural market, professional liability insurance, card theft protection (in case of fraudulent use of lost or stolen payment instruments).

In France, it markets its products to customers of the Regional Banks and LCL. Internationally, Cr dit Agricole Assurances is also capitalising on the success of its bancassurance model: in Spain, through a partnership agreement with the Abanca banking group; in Italy, CA Assicurazioni is supporting the development of the Group's banking networks by contributing its property and casualty insurance expertise.

For the first three months of 2023, property and casualty insurance activity was dynamic, with premium income of  2.2 billion at the end of March 2023, up +5.4% compared to March 2022 (+9.1% at constant scope, excluding La M dicale). At the end of March 2023, the portfolio of property and casualty policies totalled nearly 15.5 million<sup>41</sup>, a +1.0% increase over one year (+3.7% at constant scope, excluding La M dicale). The equipment of individual customers in the banking networks of Cr dit Agricole Group increased compared to the end of March 2022 for all networks: 42.9%, or +0.5 percentage point for Regional Banks, 27.4%, or +0.9 percentage point for LCL, and 17.3% for CA Italia including Creval's customer base, or +2.2 percentage points. Worthy of note this quarter is the excellent momentum of crop insurance revenues (+75% Q1/Q1), and success in new home insurance offer for young renters (+30% Q1/Q1 in new businesses on targeted clients). The combined ratio stood at 97.0%, improving -0.7 percentage point year-on-year, due to the lower claims in the first quarter.

For more information with respect to insurance business and its recent developments, please

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<sup>38</sup> Impact in 2023 of 2022's commercial momentum on loans

<sup>39</sup> Source: *L'Argus de l'Assurance*, 22 April 2022 (data at end-2021).

<sup>40</sup> Source: *L'Argus de l'Assurance*, 14 December 2022 (data at end-2021)

<sup>41</sup> Scope: property and casualty in France and abroad



refer to A02 of the 2022 URD and 2022 URD.

## ***Asset Management***

### *General*

Amundi is the leading European asset manager in terms of assets under management and ranks in the top 10 worldwide<sup>42</sup>. The Group manages €1,904 billion<sup>43</sup> and has six main management platforms (Boston, Dublin, London, Milan, Paris and Tokyo).

Amundi offers its customers in Europe, Asia Pacific, the Middle East and the Americas a full range of savings and investment solutions in active and passive management, in traditional or real assets. It constantly strives to have a positive impact on society and the environment. This offering includes services and technological tools covering the entire savings value chain. At 31 December 2022, the assets under management amounted to €1,904 billion. As the No.1 European asset management company<sup>44</sup>, Amundi is present in 35 countries. At the end of March 2023, assets under management reached €1,934 billion, up +1.6% compared to 31 December 2022.

### *Business and organisation*

Amundi offers individual customers, institutional investors and corporates a rich and diverse offering of savings and investment solutions as well as services and technology.

Present in the main global financial markets, Amundi disseminates its know-how through all investment universes, covering active management strategies, including “alpha” management (bonds, equity or multi-asset), passive management (ETF, index management and Smart Beta), and real assets management (real estate, private equity, private debt, infrastructure), as well as services and consulting.

Amundi’s know-how is further enhanced by its unique expertise in research and financial and non-financial analysis, allowing it to support its customers in their investment decisions without losing sight of its goal to have a positive impact on society and the environment.

For its retail customers, Amundi distributes its savings products through close partnerships with retail bank partner networks with in the Group, outside of it (Amundi’s traditional way of operating), as well as through third-party distributors. In Europe, Asia-Pacific and North America, Amundi offers personalised savings solutions, innovative services and value-added investment advice; these offerings are tailored to the needs and risk profile of individual customers. In a context of profound changes in the fund distribution market, Amundi has solid advantages to strengthen its relationships with third-party distributors, in particular a recognised ability to manage their “open architecture”.

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<sup>42</sup> Source: IPE “Top 500 Asset Managers” published in June 2022 and based on assets under management at 31 December 2021.

<sup>43</sup> Amundi data at 31 December 2021.

<sup>44</sup> Source: IPE “Top 500 Asset Managers” published in June 2022 and based on assets under management at 31 December 2021.

For its institutional and corporate customer base, Amundi draws on its extensive expertise, global presence and research-based investment culture to provide a comprehensive approach of investment products and solutions.

Listed since November 2015, Amundi remains the leading market capitalisation (€10.8 billion as at 31 December 2022) among traditional listed asset managers in Europe. In bearish stock markets, Amundi's share price closed 2022 at €53, down -26.9% from end-2021.

Despite 2022 being marked by the war in Ukraine, the return of inflation and an increase in market volatility, Amundi posted solid results, maintaining a high level of profitability and operational efficiency.

With its unique business model, its industrial approach and its customer-centric organisation, boasting operational efficiency and combining a local presence with a global reach, Amundi is well placed to continue its profitable growth.

The operational integration of Lyxor, acquired at the end of 2021, was completed in 2022, with teams joining forces in the first quarter and the entities merging in the second quarter. The IT migration completed within six months (in September 2022). These milestones were achieved with no disruption to commercial activity. Amundi has become the European leader in the ETF market with €171 billion in assets under management at 31 December 2022.

Created in 2021, Amundi Technology continues to expand and reached 47 customers at end-December 2022 (versus 39 one year earlier).

For more information with respect to insurance business and its recent developments, please refer to A02 of the 2022 URD and 2022 URD.

## ***Wealth Management***

### ***General***

Indosuez Wealth Management comprises Crédit Agricole Group's wealth management activities<sup>45</sup> in Europe, the Middle East and Asia-Pacific. Renowned for the breadth of its offering and its international reach on a human scale, it operates in 10 territories around the world. Indosuez Wealth Management offers a tailored approach, allowing each of its customers to preserve and grow their wealth in a manner which best fits their aspirations. Embracing a global vision, its multidisciplinary teams draw on excellence, experience and expertise to provide customers with appropriate, sustainable solutions.

At 31 December 2022, the assets under management<sup>46</sup> amounted to €130 billion. At the end of 2022, Indosuez Wealth Management presents in 10 territories.

Shaped by 145 years of experience in supporting families and entrepreneurs worldwide, Indosuez Wealth Management offers a tailored, international approach across 10 territories, allowing each of its customers to preserve and grow their wealth in a manner which best fits

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<sup>45</sup> Excluding LCL Private Banking, Regional Banks and private banking activities within International Retail Banking.

<sup>46</sup> Excluding LCL Private Banking, Regional Banks and private banking activities within International Retail Banking.

their aspirations.

Embracing a global vision, its employees provide expert advice and first-class services in both private and professional wealth management.

For the first three months of 2023, in wealth management<sup>47</sup>, total assets under management (CA Indosuez Wealth Management and LCL Private Banking) amounted to €198.3 billion at the end of March 2023 (including €133.1 billion for Indosuez Wealth Management), and were up compared to the end of December 2022 (+€8.2 million, +4.6%), due to a positive market effect. Inflows were positive in wealth management at +€0.7 billion, with sustained commercial activity in structured products at Indosuez.

For more information with respect to wealth management business and its recent developments, please refer to A02 of the 2022 URD and 2022 URD.

## **Retail Banking – LCL**

### *General*

LCL is the only domestic network bank in France to focus exclusively on retail banking and insurance. It covers all markets: individual customers, SMEs and small businesses, private and corporate banking, with strong positioning among urban customers.

LCL provides a complete range of banking products and services, finance, insurance, savings and wealth management, payment services and cash flow management. With branches, especially in urban areas with high development potential, and an online banking service, it provides a close customer relationship (mobile app and website).

LCL's ambition is to be the leading bank and insurance company in the city, which cultivates and develops its expertise thanks to the excellence of its customer relations, in a collective dynamic of development to strengthen its attractiveness and sustainable profitability.

At 31 December 2022, the loans outstanding amounted to €164 billion (including €101 billion in home loans), the total customer assets amounted to €236 billion and the number of individual customers was about 6 million.

In first quarter 2023, outstanding loans totalled €165.6 billion at end-March 2023, up +8.2% from end-March 2022, of which +8.5% for home loans, +8.0% for loans to small businesses, +8.6% for corporate loans and +2.9% for consumer finance. Customer assets, which totalled €241.0 billion at end-March 2023, were also up, recording a year-on-year rise of +4.1%. This was driven by on-balance sheet deposits (+6.6%) stemming from the increase in term deposits and passbook accounts. Off-balance sheet savings showed little change (-0.1%).

For the financial information of LCL business line, please refer to “*Section 8: Selected Financial information and Analysis of Financial Condition and Results of Operations.*”

### *Business and organisation*

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<sup>47</sup> LCL Private Banking and Indosuez Wealth Management

As a universal bank and insurer, LCL meets the needs of all types of customer (individuals, small businesses, private banking and wealth management, corporates and institutional customers), drawing on its expertise and Crédit Agricole Group's wealth of know-how.

LCL's ambition is to offer customers a personalised relationship experience that is a combination of human contact and remote access. Its six million individual customers thus have the choice of using the bank how they want, where they want and when they want via their preferred channel.

Capitalising on its strategic urban presence, LCL has adapted its approach and services for comprehensive coverage.

LCL now has a network of nearly 1,400 branches, plus remote "LCL Mon Contact" customer service centres and digital solutions such as the "LCL Mes Comptes" app and websites, giving its customers complete freedom in using its banking services. Whether in-branch or online, LCL is committed to fully understanding the needs of its customers. By rethinking and digitising certain processes such as opening an account or taking out a mortgage loan, a commercial loan or insurance, it seeks to facilitate subscription to its main products.

LCL Banque Privée has 222,000 private banking clients to whom it offers comprehensive, tailored property and financial advice on financing, day-to-day banking and wealth management through its 96 regional centres of expertise.

The 390,000 SMEs and small businesses – skilled craft workers, retailers, professionals and other small businesses – also benefit from the support of 1,240 specialist advisers and the creation of 97 "Espace Pros" business areas. Advisers serve as a single contact point to help their customers manage their daily business and achieve their business and personal projects. LCL is a major player in the financing of professionals, granting loans of €3.4 billion through its subsidiary Interfimo.

LCL Banque des Entreprises relies on its national network of 61 geographic locations to provide its 30,500 customers with its full range of expertise: corporate finance for SME takeovers and acquisitions, market activities, international trade and payments, employee savings. As a player of choice in the mid-cap sector, LCL is today the bank to nearly half of all mid-caps. LCL Banque des Entreprises also reaffirms its comprehensive approach and its desire to assist executives with their wealth management plans by expanding its Wealth Management teams in Paris and across France.

To assist the networks, the back-office, electronic payments and flow management and support functions serve all customers and make an active contribution to operational excellence.

For more information with respect to LCL business and its recent developments, please refer to A02 of the 2022 URD and 2022 URD.

## **International Retail Banking**

### *General*

Crédit Agricole's international customer-focused universal banks are located in Italy, Poland, Ukraine and Egypt. They serve all types of customers (individuals, small businesses,

agricultural and food processing businesses, and corporates – from SMEs to multinationals), working closely with Group’s specialised business lines and activities. The international retail banks offer a range of banking and specialised financial services as well as savings and insurance products, in synergy with the Group’s other business lines (CACIB, CAA, Amundi, CAL&F, etc.).

At 31 December 2022, the loans outstanding of the international retail banks amounted to approximately €66.3 billion and the customer assets reached €72.1 billion. The number of customers was 5 million.

In the first quarter of 2023, CA Italia recorded brisk business, benefiting from the diversification of the Group’s activities in Italy. Gross customer capture for the first three months of 2023 reached 39,000 new customers, while the customer base increased by about 5 000 clients. Loan outstandings at CA Italia stood at €59.2 billion<sup>48</sup> at the end of March 2023, up +1% compared to the end of March 2022. Loan production fell by -11.4% year-on-year, but was up +25.7% for corporate and small business loans (excluding Ecobonus and state-guaranteed loans).<sup>49</sup> Home loan production fell by -21.3%, in a decreasing housing market in Italy<sup>50</sup>. However, the production rate was up +99 basis points on home loans and up +47 basis points on the stock, on compared to fourth quarter 2022. Consumer finance production<sup>51</sup> was down -7.5% compared to the first quarter 2022, but up +7.1% from the fourth quarter 2022. Customer assets at end-March 2023 totalled €111.3 billion, down -2.0% year-on-year due to a negative market effect on off-balance sheet deposits. On-balance sheet deposits remained stable, positive inflows from corporate term deposits being offset by the outflows from individual demand deposits.

For International retail banking excluding Italy, loan outstandings were down -47.8% at end-March 2023 compared to end-March 2022, while customer assets were down -39.8% over the same period.

Excluding disposed entities<sup>52</sup> and Ukraine, i.e. while considering Poland and Egypt, loan outstandings were up by +8.1% at constant exchange rates (-3.6% at current exchange rates) and customer assets by +12.7% at constant exchange rates (-1.1% at current exchange rates) over the same period.

For the financial information of International Retail Banking business line, please refer to “*Section 8: Selected Financial information and Analysis of Financial Condition and Results of Operations.*”

### *Business and organisation*

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<sup>48</sup> Net of POCI outstandings

<sup>49</sup> “Ecobonuses” correspond to refinancing of the customer tax credit: Italian tax deductions for renovation, energy efficiency and building safety, introduced in 2021.

<sup>50</sup> Source: Assofin: -34% of Q1/Q1 home loan production

<sup>51</sup> Agos

<sup>52</sup> Disposed entities: Serbia classified under IFRS 5 since second quarter 2021 (disposal effective 1 April 2022) and Crédit du Maroc classified under IFRS 5 since first quarter 2022 and disposal of controlling interest in fourth quarter 2022.

At 31 December 2022, international retail banks were located in Italy, Poland, Ukraine and Egypt. The Issuer has a non-controlling part of capital in Cr dit du Maroc.

Within Cr dit Agricole S.A., the “International Retail Banking” (IRB) division is responsible for the strategic supervision of subsidiaries within the customer-focused universal banking model abroad. It has three main tasks:

- to act on behalf of the Issuer as shareholder and integrator with the Group’s operations;
- to work with the subsidiaries in defining strategy and ensure that the guidelines set out in the Medium-Term Plan (MTP) are implemented and performance monitored;
- to support the subsidiaries in their development by:
  - assisting with major projects,
  - providing the Group’s expertise and sharing best practices developed at international banks or other retail banks,
  - boosting synergies not only with the Group’s business lines, LCL and the Regional Banks, but also among the various international banks.

- **Cr dit Agricole Italia**

With a longstanding presence in the country’s most buoyant regions, CA Italia is the masthead for the Group’s presence in Italy, the Issuer’s second domestic market, where all the Group’s business lines are present (consumer finance, corporate and investment banking, asset management, insurance, custody and fund administration, and private banking services).

Cr dit Agricole Italia is a retail bank covering all market segments: individuals, small businesses, SMEs, large corporates, and agricultural and food processing.

The synergies developed between the commercial network of the banks and the business lines enable the Issuer to offer a wide and integrated product range in Italy, aimed at all economic players.

A key development in 2022 was the integration of the Credito Valtellinese banks and the merger of CA FriulAdria into CA Italia. This will lead to greater synergies with the other Cr dit Agricole Group entities and a more competitive positioning for CA Italia, which is Italy’s seventh largest bank (based on total assets and number of customers). Also in 2022, the Banca Unica Project was completed.

CA Italia plans to gain 150,000 new customers by 2025, pursue a major digital transformation with significant investments ( 300 million between 2022 and 2025) and build up its product and service offering to support the ecological transition.

CA Italia has 1,120 branches and 12,180 employees and serves over 2.7 million customers, with a balance sheet totalling  96.2 billion<sup>53</sup>.

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<sup>53</sup> 2022 D-15 data, awaiting final 2022 closing data.

- **Crédit Agricole's three other international retail banks**

The three other international retail banks<sup>54</sup> are:

- **CA Bank Polska:** 265 branches<sup>55</sup>, 1.4 million customers and 3,800 employees;
- **CA Egypt:** 83 branches, 416,000 customers and 2,518 employees;
- **CA Ukraine:** 141 branches, 400,000 customers and 2,150 employees.

Additionally, the Issuer sold its Serbian subsidiary (Crédit Agricole Serbia) on 1 April 2022 and reduced its stake in Crédit du Maroc to 15% after selling 63.7% of its controlling interest in this subsidiary on 6 December 2022. The disposal of the remaining stake in Crédit du Maroc will take place 18 months after this initial disposal.

For more information with respect to international retail banking business and its recent developments, please refer to A02 of the 2022 URD and 2022 URD.

## **Specialised Financial Services**

The specialized financial services business line includes the sectors of consumer finance and leasing, factoring and finance for energies and regions. For the financial information of Specialised Financial Services business line, please refer to “*Section 8: Selected Financial information and Analysis of Financial Condition and Results of Operations.*”

### ***Consumer Finance***

#### ***General***

As a major player in consumer finance in Europe, Crédit Agricole Consumer Finance (CA Consumer Finance) offers its customers and partners a range of flexible, responsible financing and leasing solutions, tailored to their needs. Digital is a strategic priority, particularly through investments, in order to build with the clients a credit experience which meets their expectations and new consumption trends.

Crédit Agricole Consumer Finance offers a complete multi-channel range of financing, long and short-term leasing, insurance and service solutions available online, in branches of CA Consumer Finance subsidiaries and at its banking, institutional, distribution and automotive partners.

At 31 December 2022, the assets under management of Crédit Agricole Consumer Finance amounted to €103 billion, including €23.4 billion on behalf of the Crédit Agricole Group. Crédit Agricole Consumer Finance presents in 18 countries.

In first quarter 2023, the commercial production of Crédit Agricole Consumer Finance continued to show strong momentum at €13 billion, an increase of +15.8% over first quarter 2022. It was driven by particularly brisk business in the Automotive channel (+38.5%). At end-March 2023, Crédit Agricole Consumer Finance's total outstandings stood at €105.5 billion, a

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<sup>54</sup> Information with respect to such three other international retail banks are as of end-December 2022.

<sup>55</sup> Excluding 170 specialist branches.

year-on-year rise of +12.3%.

### *Business and organisation*

A major player in consumer finance in Europe, Crédit Agricole Consumer Finance (CA Consumer Finance) offers its customers and partners a range of flexible, responsible financing and short-term and long-term leasing solutions that are tailored to their needs.

Present in 18 countries in Europe, as well as in China and Morocco, CA Consumer Finance draws on its know-how and expertise to improve its own customer satisfaction, its commercial success and the customer retention policies of its banking, institutional, distribution, and automotive partners. Committed to helping its customers balance their budgets, the Group supports its most vulnerable customers by teaching them how to manage their finances and avoid taking on too much debt.

In 2022 CA Consumer Finance and Stellantis signed binding agreements providing firstly for the creation by the two partners of a European leader in long-term car leasing through the pooling of Leasys and Free2Move Lease, and secondly for the acquisition by CA Consumer Finance of 100% of the capital of FCA Bank and Leasys Rent. The aim is to create a pan-European player in car financing, leasing and mobility.

CA Consumer Finance is composed of the following entities: Agos<sup>56</sup> (Italy, 61% owned), Credibom (Portugal), CA Consumer Finance S.A. (activities in France, particularly through its Sofinco commercial brand), Creditplus Bank (Germany), Sofinco Spain (Spain), Wafasalaf (Morocco, 49% owned), FCA Bank<sup>57</sup> (50/50 joint venture with Fiat Chrysler Automobiles Italy, present in 17 countries in Europe and Morocco), GAC-Sofinco AFC<sup>58</sup> (50/50 joint venture with Guangzhou Automobile Group Co in China) and CA Mobility (50/50 joint venture with CAL&F).

CA Consumer Finance is a robust and socially cohesive company, with a strong customer base, solid and diversified partnerships and modern tools and processes. It knows how to anticipate new consumer trends and the expectations of its partners. CA Consumer Finance took action in 2022 to support the economic recovery and to further assist its customers, its partners and society in general with energy transition:

- A leader in consumer finance in Europe, with employees fully committed to customers, partners and society:
  - 16.7 million customers;
  - €103 billion in gross managed loans at end-2022 (of which €39 billion consolidated) with a comprehensive offering to meet new consumer uses, combining digitisation of processes, omni-channel points of contact and quality human support, a driver of the Crédit Agricole Group's development;

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<sup>56</sup> Consolidated entity.

<sup>57</sup> Equity-accounted entity.

<sup>58</sup> Equity-accounted entity.



- €51.9 billion in car loans at end 2022 and a contribution to net income Group share from the automotive joint ventures that rose by 19% per year between 2014 and 2022.

### ***Leasing, Factoring and Finance for Energies and Regions***

#### *General*

Crédit Agricole Leasing & Factoring (CAL&F) provides solutions for corporates of all sizes for their investment plans and the management of their trade receivables, through its offering of lease financing and factoring services in France and Europe. CAL&F is one of France's leading providers of finance for green energies and regions. In lease financing, CAL&F offers financing solutions to meet property and equipment investment and renewal requirements. In factoring, CAL&F provides trade receivable financing and management solutions for corporates, both for their day-to-day operations and for their expansion plans. Lastly, CAL&F, via its subsidiary Unifergie, helps corporates, local authorities and farmers to finance renewable energy, energy performance and sustainable infrastructure projects.

At 31 December 2022, CAL&F was the first private investor in renewable energy financing in France<sup>59</sup>. CAL&F had €29.7 billion of assets under management and CAL&F had 256,000 customers (including 87,200 abroad).

During the first quarter 2023, CAL&F's commercial production in leasing also performed well with a year-on-year increase of +5.8%. Factored revenues for the quarter jumped to €29.3 billion, a rise of +11.9%, largely due to the ramp-up of the pan-European platform. Lastly, the financed quota also rose in the first quarter to 68.8% (+8.8 points from first quarter 2022). By contrast, leasing production fell in first quarter 2023 by -18.3% due to a base effect, the first quarter of 2022 having seen the start-up of several large-scale operations. Nevertheless, leasing outstandings rose to €17.8 billion at end-March 2023 (of which €14.5 billion in France and €3.4 billion abroad), which was a year-on-year increase of +7.5%.

#### *Business and organisation*

With €29.7 billion in managed assets, 29% of which is international, CAL&F is a major player in leasing, factoring and the financing of renewable energy in France and in Europe.

CAL&F supports companies of all sizes, both in their investment projects in equipment and real estate, and in the financing and management of their trade receivables.

CAL&F operates in 11 countries in Europe and Morocco and works closely with the Group's retail banks in France and internationally, as well as with non-banking partners.

#### *Lease financing*

CAL&F offers lease financing solutions designed to meet the needs of businesses looking to invest in and replace equipment. These include equipment lease financing, finance leasing, IT operational leasing and property lease financing.

#### *Factoring*

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<sup>59</sup> Internal CAL&F source based on 2021 ASF Sofergie market data.

CAL&F provides trade receivable financing and management solutions for corporates and small businesses, both for their day-to-day operations and for their expansion plans, in France and internationally: financing, dunning and collection of trade receivables, guarantee against insolvency risk and managed services.

Through its international network, CAL&F supports its customers and partners in the main European countries and overseas.

#### *Financing for energies and regions*

Through its subsidiary Unifergie, CAL&F assists corporates, local authorities and farmers, actors in the energy transition, with financing renewable energy projects (wind or solar farms, biomass projects, etc.) or energy efficiency schemes (cogeneration plants, etc.), as well as public infrastructure projects (funding for local authorities or their private-sector partners in the context of public/private partnerships or public service outsourcing).

For more information with respect to Specialised Financial Services and its recent developments, please refer to A02 of the 2022 URD and 2022 URD.

### **Large Customers**

#### ***Corporate and Investment Banking***

##### *General*

Crédit Agricole CIB is the corporate and investment bank of the Crédit Agricole Group, with a franchise known for serving corporates and financing activities through a powerful network in the major countries of Europe, Americas, Asia-Pacific and Middle East.

It offers products and services in investment banking, structured finance, international trade finance and commercial banking, capital market activities and syndication, and known worldwide “green” finance expertise.

At 31 December 2022, Crédit Agricole CIB was the top 5 bookrunner worldwide for green, social and sustainability bonds with an amount of €35.5 billion<sup>60</sup>. Crédit Agricole CIB was the second largest bookrunner in syndicated loans for the EMEA region<sup>61</sup>. Crédit Agricole CIB has more than 30 markets hedged.

For the first quarter of 2023, corporate and investment banking as a whole posted a record performance. Corporate and investment banking first-quarter underlying revenues rose sharply to €1,723 million, an increase of +20.9% from first quarter 2022. This growth was driven by the very strong performance of capital markets and investment banking at €941 million, which was up +36.8% versus first quarter 2022. All product lines recorded excellent commercial activity. FICC underlying revenues rose by +41.8% over the period, driven by the recovery of the primary credit market and the performance of hedging products. Investment banking business held steady. Underlying revenues from financing activities were up +6.1% compared to first quarter 2022 to stand at €782 million. This was mainly due to the strong performance of

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<sup>60</sup> Source: Bloomberg

<sup>61</sup> Source: Refinitiv

structured finance (+7.1% versus first quarter 2022), especially in shipping, to the continued development of commercial banking driven by International Trade & Transaction Banking activities (particularly cash management), and to the development of the Telecom business in Corporate Leveraged Finance. Note that there was a slowdown in leveraged finance.

### *Business and organization*

Crédit Agricole CIB offers the corporate and financial institution customers of the Crédit Agricole Group a wide range of products and services in the areas of investment banking, structured finance, international transaction and commercial banking, capital markets and syndication. Crédit Agricole CIB model is based on a predominantly corporates client base (66% of the 2022 commercial revenues) and a powerful and coordinated international network (61% of the revenues are generated outside of France).

Customer relations are the responsibility of Senior Bankers (Coverage teams) who work in the same division as the investment bank. The aim is to strengthen the customer-centric approach. A special Sustainable Banking team also advises and supports clients in their sustainable finance and energy transition activities by providing expertise that has been globally recognized for years. Lastly, a new team was added to the division in 2021, responsible for relationship and business development of mid-cap customers for the entire Crédit Agricole Group. Investment advisory expertise for these customers was further boosted in 2022 by the integration of SODICA, which has now become Crédit Agricole Midcap Advisors.

The Corporate and Investment Banking is composed of two business divisions: financing activities (which includes structured finance and commercial banking) and capital markets and investment banking.

### *Financing activities*

The Structured Finance (SFI) division is primarily tasked both in France and abroad with originating, advising on, structuring and financing investment transactions that are typically backed by collateral, or providing similar services for complex and structured credit. It operates mainly in the mobility, real estate, natural resources, power and infrastructure sectors but is also involved in the energy transition. In 2022, against a backdrop of a worsening economy that was having a major impact on certain sectors, structured financing retained its market positioning while actively managing risks. In the second quarter of 2022, Leveraged & Telecom Finance activities were transferred from the Structured Finance division to the Corporate & Leveraged Finance division.

The Commercial Banking division includes several business lines:

- the Corporate & Leveraged Finance division, which comprises Leveraged & Telecom Finance activities as well as corporate debt origination activities. In 2022, the business line kept its leadership by maintaining its positions while at the same time supporting its customers. It was the leading bookrunner in France, second-largest bookrunner in EMEA by volume in 2022 in the syndicated loans segment<sup>62</sup>, and ranked fourth in project finance

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<sup>62</sup> Source: Refinitiv

loans worldwide<sup>63</sup>;

- the International Trade & Transaction Banking division, which is tasked with helping customers manage their cash flows, payment instruments and accounts in addition to supporting their international trade needs (financing and securing of customer activities abroad: guarantees, documentary and export credits: financing guaranteed by export credit agencies). Against the backdrop of a return to positive interest rates in 2022, business in this sector posted this year record growth this year, thanks mainly to the efforts of all the teams and to the roll-out of new offerings in the various geographic regions.

### *Capital markets and investment banking*

The main mission of the Investment Bank is to offer a full range of high value-added solutions to deal with the strategic issues of our major customers. In 2022, business continued to grow, driven by momentum from M&A and equity-related structured financing activities. Crédit Agricole CIB has strengthened its sector expertise, and the integration of its international network enables it to support its customers in their domestic and cross-border transactions.

Capital Market banking covers investment and hedging activities, specifically all sales, structuring and trading activities in the fixed income, foreign exchange and credit markets. With regard to its financing activities, these consist of financing transactions in the credit, securitisation and treasury markets. Against a backdrop of market volatility, the capital markets business had a good year in 2022, thanks in particular to brisk commercial activity in interest-rate and currency hedging products and repos to meet the strong demand from Group customers. Despite a decline in issue volumes, Crédit Agricole CIB performed well in 2022, ranking first in French corporate issues for the fourth consecutive year<sup>64</sup>. Crédit Agricole CIB maintained its leadership positions in bond issues, ranking third worldwide in all bonds in euros<sup>65</sup> and first position in green, social & sustainable bonds in euros<sup>66</sup>.

### *Asset Servicing*

#### *General*

CACEIS, a specialist asset serving group, provides support to asset management companies, insurance companies, pension funds, private equity, real estate, infrastructure and private debt funds, banks, brokers and corporate clients from order execution to asset custody. With a network of offices across Europe, North America, South America and Asia, CACEIS offers asset servicing solutions across the entire life cycle of investment products and across all asset classes: execution, clearing, forex, securities lending, custody, depositary banking, fund administration, middle-office outsourcing solutions, fund distribution support and issuer services.

At 31 December 2022, the assets under custody, assets under administration and assets under

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<sup>63</sup> Source: Refinitiv

<sup>64</sup> Source: Dealogic

<sup>65</sup> Source: Refinitiv

<sup>66</sup> Source: Bloomberg

depository amounted to €4,090 billion, €2,172 billion and €1,729 billion, respectively. For the first quarter of 2023, assets under custody rose by +2.7% at end-March 2023 compared to end-December 2022 (down -3.4% from end-March 2022), to reach €4,201 billion. Assets under administration were up +3.0% this quarter (-3.2% year-on-year), to €2,216 billion at end-March 2023.

### *Business and organisation*

CACEIS is an international banking group and market leading custody and fund administration services provider in Europe, 69.5% owned by Crédit Agricole S.A. and 30.5% by Santander. CACEIS is a major partner in several Crédit Agricole S.A. Group entities.

With more than 4,600 employees in 15 countries, CACEIS offers a complete range of Asset Servicing solutions. The Group's competence centres in Europe provide uniform, reliable services to all clients, whatever their geographical location. Each entity has local sales teams and local experts to ensure a close relationship with its clients.

CACEIS has a long-held commitment to digital transformation, both in terms of its own digital journey and that of its clients. The Group places clients at the heart of its product development process in order to ensure the client experience continuously improves.

For the financial information of Large Customers business line, please refer to “*Section 8: Selected Financial information and Analysis of Financial Condition and Results of Operations.*” For more information with respect to Large Customers business and its recent developments, please refer to A02 of the 2022 URD and 2022 URD.

### **Corporate Centre**

#### ***CACIF – Crédit Agricole Capital Investissement & Finance***

CACIF holds the investments of Crédit Agricole S.A. in funds managed by private equity management companies, almost exclusively through IDIA Capital Investissement, which invests in unlisted companies. Most of these investments are used to finance expansion capital transactions and buyouts in French SMEs and mid-caps and to a lesser extent in growth capital and innovation in targeted business sectors.

#### ***IDIA Capital Investissement***

Crédit Agricole Group is the leading private equity and quasi-equity financier of French corporates through its private equity management companies, with 102 transactions in 2021 representing €375 million invested.

Within this ecosystem, IDIA Capital Investissement is Crédit Agricole Group's national private equity management company, managing nearly €2 billion in assets. IDIA Capital Investissement invests an average of €150 million a year in expansion capital, buyout capital and growth capital transactions.

IDIA supports the development of French SMEs and mid-caps and their executives by investing Crédit Agricole Group equity in minority shareholdings, with a unit investment target in the range of €1 million to €50 million in all business sectors. The management company invests in

expansion capital, buyout capital and growth capital and has recognised expertise in the agri-food, wine and energy transition sectors.

IDIA Capital Investissement is a forerunner in proprietary ESG private equity investing. It acts as a responsible investor and promotes green financing, as reflected in its signing of the Investors for Growth Commitment Charter of France Invest. In 2020 and 2021, IDIA Capital Investissement signed the United Nations Principles for Responsible Investment (PRI) and joined the initiative Climat International (iCI).

IDIA Capital Investissement also manages the land, forestry and winegrowing grouping of the Cr dit Agricole Group and monitors the investments of Cr dit Agricole S.A. in specific funds.

### ***Cr dit Agricole Immobilier***

As the Group's real estate specialist, Cr dit Agricole Immobilier assists customers with their property projects throughout France, upholding three founding principles: sustainability and performance of buildings, environmental protection and decarbonisation, and inclusion and social cohesion.

As a trusted partner, it supports real estate projects of private individuals through its residential property development and property administration services (Cr dit Agricole Immobilier and Square Habitat), while businesses, local authorities and institutions benefit from its office development, property management and commercial property services.

Its business is divided into two subsidiaries: Cr dit Agricole Services Immobiliers, which provides services to individuals, and Cr dit Agricole Immobilier Corporate & Promotion, which serves companies, institutions and local authorities.

### ***Cr dit Agricole Payment Services***

Payments are central to the customer relationship and a key means of building loyalty and acquiring new customers. Cr dit Agricole Payment Services (CAPS) designs payment solutions for Cr dit Agricole customers, helps the Group's banks launch them on the market, and processes transactions. CAPS develops innovative service offerings that are both secure and easy to use and meet the highest market standards.

### ***Cr dit Agricole Group Infrastructure Platform***

Cr dit Agricole Group Infrastructure Platform (CA-GIP) brings together more than 80% of the computing infrastructure and production of the Cr dit Agricole Group.

CA-GIP aims to become a European benchmark for computing infrastructure and production by 2025. For this, a Together4tech transformation programme has been launched in 2022 through five performance challenges: service quality, risks and security, digital capabilities, performance and savings and the CA-GIP company (being a player in environmentally responsible production and becoming a reference employer). CA-GIP's goal is to stay close to its customer entities and work with them in an agile manner.

### ***Uni-m dias***

Uni-médias, a press subsidiary of Crédit Agricole S.A., is one of the top eight magazine publishers in France<sup>67</sup> and continues to be one of the most profitable in the industry, with revenues of €88 million.

Uni-médias is adopting a new positioning and becoming the media group that helps everybody to improve their daily lives and transform society.

On the digital front, Uni-médias is speeding up its transformation, with a growing presence online for its various brands.

### ***BforBank***

BforBank is Crédit Agricole Group's fully online bank. Created in 2009, it offers everyday banking products (bank accounts, Visa Premier and Visa Infinite cards, insurance), a comprehensive and efficient savings solutions (savings accounts, brokerage accounts, money market accounts and life insurance), consumer finance and personalised services.

BforBank's customer service, which is based in France, is made up of multidisciplinary specialists who are available six days a week by telephone, email or chat.

BforBank offers its active mobile customers an innovative way to manage their personal finances and build their assets.

For the financial information of Corporate Centre, please refer to “*Section 8: Selected Financial information and Analysis of Financial Condition and Results of Operations.*” For more information with respect to Corporate Centre and its recent developments, please refer to A02 of the 2022 URD and 2022 URD.

## **3. PRESENCE IN CHINA**

Crédit Agricole Group is present in China through Credit Agricole Corporate and Investment Bank (China) Limited (“**CACIB (China)**”), GAC Sofinco, ABC-CA Fund Management Co. Ltd. and Amundi BOC Wealth Management Company Limited.

### ***CACIB (China)***

CACIB (China) was locally incorporated on 1 July 2009. In January 2019, the paid-in capital of CACIB (China) has been increased by RMB1.6 billion bringing its audited total paid-in capital to RMB4.796 billion at the end of 2019 which made total equity amounted to RMB5.36 billion. CACIB (China) has remained profitable in 2019, as in every year before. Headquartered in Shanghai, CACIB (China) is a wholly-owned subsidiary of CACIB, one of the business lines of Crédit Agricole S.A. CACIB has been present in China in a continuous fashion for more than a century, first through *Banque de l'Indochine* which established its presence in China in 1898, making CACIB one of the foreign banks with the longest history in China. At present, CACIB (China) has five branches in Beijing, Shanghai, Tianjin, Xiamen and Guangzhou. CACIB (China) offers a wide range of global market products as well as corporate banking, structured finance as well as asset-based banking services to large Chinese corporates, financial institutions (including large banks and insurance companies) and multinational companies.

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<sup>67</sup> Source: Plimsoll

Besides, CACIB (China) works closely with other Cr dit Agricole Group companies in the sectors such as aircraft leasing, automobile consumer financing and asset management, offering clients a comprehensive range of products and services in capital markets, investment banking, structured finance and corporate banking.

CACIB (China) has pioneered in China with a significant number of structured financing, syndication loan transactions and was among the first foreign banks to be licensed for Chinese currency (RMB) operations. CACIB (China) has brought to its clients the expertise of the Group mainly in the areas of export finance, trade & commodity finance, project finance & advisory, aviation & shipping finance, capital market as well as loan syndication.

#### ***GAC Sofinco***

GAC Sofinco AFC began operations in September 2010. Based in Guangzhou, China, the company is a 50/50 joint venture between CA Consumer Finance and Guangzhou Automobile Corporation (GAC).

#### ***ABC-CA Fund Management Co. Ltd.***

ABC-CA Fund Management Co. Ltd. is an asset management company created by the Agricultural Bank of China, Amundi (which belongs to the wealth management business line of the Issuer) and Chinalco Capital Holdings Company Ltd., which own 51.67%, 33.33% and 15.00%, respectively, of the joint-venture company. The Agricultural Bank of China also has a 1.4% stake in Amundi.

#### ***Amundi BOC Wealth Management Company Limited***

Amundi and BOC Wealth Management Co., Ltd., a subsidiary of the Bank of China Limited (“**BOC Wealth Management**”), announced, in September 2020, that their new joint-venture in China, Amundi BOC Wealth Management Company Limited (“**Amundi BOC WMC**”) has received its license from the China Banking and Insurance Regulatory Commission. Amundi BOC WMC has started its operations in October 2020.

Amundi BOC WMC is registered in Lingang New Free Trade Zone in Shanghai. Amundi holds a 55% stake while BOC Wealth Management holds the remaining 45% stake.

Amundi BOC WMC will primarily focus on the distribution of wealth management products to Chinese retail investors. It will first serve customers of Bank of China Limited, and will also make its products available to other local distributors and digital platforms in China. In addition, it will progressively target institutional investors.

### **4. EMPLOYEES AND HUMAN RESOURCE MANAGEMENT**

Our Human Resources policies are inspired by our considerable diversity and the challenges specific to each business, location or population. At the end of 2022, Cr dit Agricole S.A. employed 72,758 (2021: 75,711, 2020: 73,817) full-time equivalents employees (FTE) and was operating in 42 countries.

The following table shows the breakdown of headcount by regions at the end of 2020, 2021 and 2022.



	2020		2021		2022	
	Headcount (FTE)	% of total	Headcount (FTE)	%	Headcount (FTE)	% of total
Western Europe	55,675	75.4	58,491	77.0	58,620	81.0
Eastern Europe	8,879	12.0	8,306	11.0	7,387	10.0
Africa	5,148	7.0	4,631	6.0	2,225	3.0
Asia-Pacific	2,666	3.6	2,855	4.0	2,999	4.0
Americas	1,339	1.9	1,314	2.2	1,401	2.2
Middle-East	110	0.1	115	0.2	126	0.2

## 5. RISK MANAGEMENT OF THE ISSUER

### (1) Overview

Crédit Agricole S.A. Group is primarily exposed to risks including credit risks (including country risks), market risks, structural balance sheet risks, operational risks, legal risks and non-compliance risks.

In accordance with legislation and best professional practices, risk management within Crédit Agricole S.A. is reflected by a form of governance in which the roles and responsibilities of each individual are clearly identified, as well as by effective and reliable risk management methodologies and procedures which make it possible to measure, monitor and manage all the risks to which the Group is exposed.

### (2) Risk Appetite and Risk Profile

The Risk Appetite of the Crédit Agricole Group is the type and aggregate amount of risk that the Group is ready to take on, in the framework of its strategic targets. The Group's risk appetite is determined by particular reference to the financial policy and the risk management policy, which are based on:

- a policy of selective and responsible financing that takes account of a prudent lending policy framed by the risks strategy, the corporate social responsibility policy and the authorisation system;
- the objective of keeping market risk exposure low;
- the strict management of operational risk exposure with zero legal risk appetite and a sound IT and cyber risk management framework;
- limits on non-compliance risk to exposures, which are strictly managed;
- management of the growth of risk-weighted assets;
- management of risks related to asset and liability management.

The formal definition of risk appetite allows Executive Management and the Board of Directors to define the Group's development direction consistent with the Medium-Term Plan and translate it into operational strategies. This results in a consistent approach shared by the Strategy, Finance, Risk and Compliance departments.

The Group's risk appetite is defined through (i) key indicators (including the Crédit Agricole S.A.'s external rating, solvency, liquidity, business risk, profit, credit risk, and key risks which include interest risk and inflation risks, market risk and more specifically at Crédit Agricole CIB, Group operational risk, non-compliance risk and insurance risk), (ii) limits and alert thresholds on risks defined in line with these indicators, and (iii) qualitative priorities, inherent to the Group's strategy and businesses.

The key indicators reflect three levels of risk:

- **appetite** is used for managing normal everyday risk and indicators which breach tolerance thresholds;
- **tolerance** corresponds to a level of steering that is closer to that of the Board of Directors. Any breach of tolerance thresholds in key indicators or limits triggers a report to the Risk Committee or the Board of Directors. Suitable corrective measures must then be presented;
- **capacity**, which is only defined for indicators for which there is a regulatory threshold, begins once this regulatory threshold is crossed. Entry into the capacity range leads to close dialogue with supervisors.

The Group's business is built around customer-focused universal banking model in Europe with a low level of defaults and prudent provisioning. The market risk profile has also considerably reduced, as a result of a change in the Group's strategy more than a decade ago.

The Group's risk profile is monitored and presented at least every quarter to the Group Risk Committee and to the Board of Directors. Breach of tolerance levels for central indicators or limits on the system are reported and corrective actions proposed to the Board of Directors. The executive Directors and the supervisory body are thus kept regularly informed of how the risk profile corresponds to the risk appetite.

At 31 December 2022, the indicators of the Group's risk appetite in terms of solvency, earnings, cost of risk and impairment of receivables were within the risk appetite levels defined by the Group. They have not reached the tolerance thresholds.

### **(3) Organisation of Risk Management**

Risk management, which is inherent in banking activities, lies at the heart of the Group's internal control system. All staff involved, from the initiation of transactions to final maturity, play a part in this system.

Measuring and monitoring risk is the responsibility of the dedicated Risk Management business line (headed by the Group Risk department (*Direction des risques Groupe – DRG*)), which is independent from Group functions and reports directly to the Deputy Chief Executive Officer.

Although risk management is primarily the responsibility of the business lines which oversee

their own business development (first line of defence), DRG's task is to ensure that the risks to which the Group is exposed are consistent with the risk frameworks defined by the business lines (in terms of global and individual limits and selection criteria) and compatible with the Group's growth and profitability targets.

DRG performs consolidated Group-wide monitoring of risks using a network of risk managers who report hierarchically to the Chief Risk and Permanent Controls Officer and functionally to the executive body of their entity or business line.

To ensure a consistent view of risks within the Group, the DRG has the following duties:

- it coordinates the risk identification process and the implementation of the Group's risk appetite framework in cooperation with the Finance, Strategy and Compliance functions and the business lines;
- it defines and/or validates methods and procedures for analysing, measuring and monitoring all of the Group's risks that are considered to be major, as defined in the annual risk identification process;
- it takes part in the critical analysis of the business lines' commercial development strategies, focusing on the risk impact of these strategies;
- it provides independent opinions to Executive Management on risk exposure arising from business lines' positions (credit transactions, setting of market risk limits) or anticipated by their risk framework;
- it lists and analyses Group entities' risks, on which data is collected in risk information systems.

The Financial Steering unit of the Group Finance department (*Direction des finances Groupe – FIG*) is responsible for the management of structural asset/liability risk (interest rate, exchange rate and liquidity) as well as for the refinancing policy and for the management of capital requirements.

Supervision of these risks by Executive Management is carried out through Liquidity and ALM (Asset Liability Management) Committee meetings, in which the DRG takes part.

The DRG keeps the executive Directors and the supervisory body informed of the degree of risk control in Cr dit Agricole S.A., presents various risk frameworks of the major business lines of the Group for validation, and warns them of any risk of deviation from risk policies approved by executive bodies. It informs them of the outcomes and performance of prevention measures, whose organisational principles are approved by them. It makes suggestions for any improvement of such measures that may be required as a result of changes to business lines and their environment.

At consolidated level, this action falls within the remit of governance bodies, in particular:

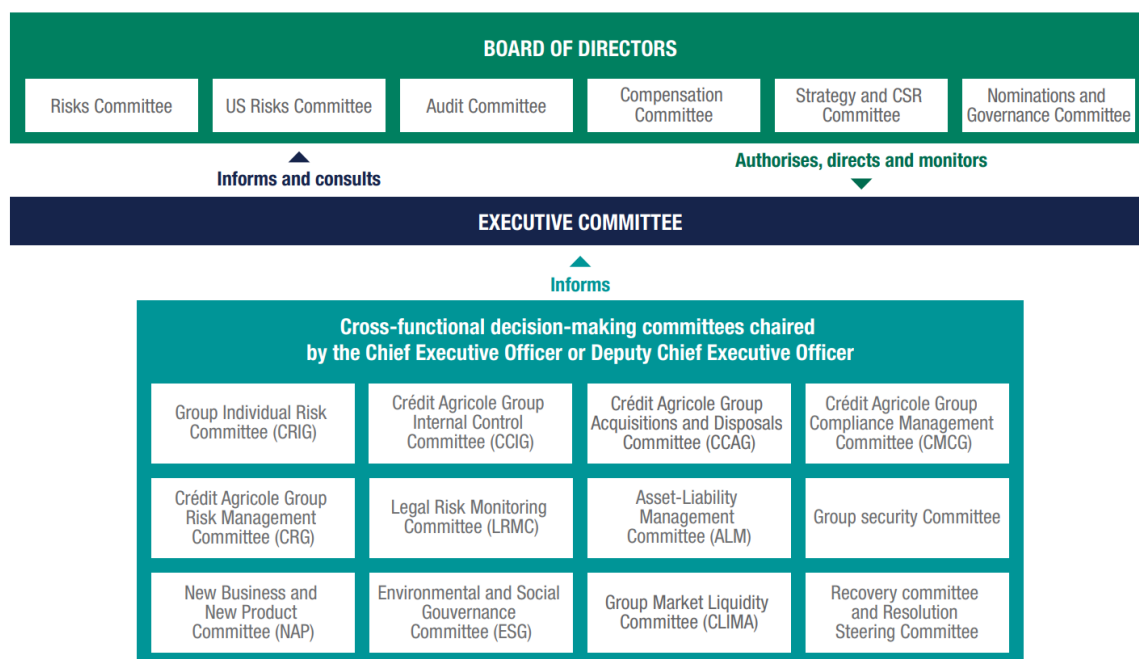
- *the Risk Committee* (a Board of Directors sub-committee, nine meetings per year): it analyses key factors in the Group's risk appetite statement defined by Executive Management, regularly examines the Group's risk management and internal control issues,

reviews the half-yearly information and annual report on internal control and risk measurement and monitoring;

- *the Group Risk Committee (Comité des risques Groupe – CRG, 12 meetings per year and when necessary)* chaired by the Chief Executive Officer of the Issuer: defines Group policy in terms of risks, sets the Group's overall limits, validates the risk frameworks of the entities and business lines, monitors the Group's major risks in a cross-divisional manner;
- *the Group Individual Risk Committee (Comité des risques Individuels de niveau Groupe – CRIG, one meeting per week on average)* chaired by the Chief Executive Officer of Crédit Agricole S.A., decides on all individual cases requiring approval from Executive Management excluding exceptions, examines all cases at the request of Executive Management, presents at the request of the Group Chief Risk Officer any sensitive cases relating to an entity or any cases covered by the procedure;
- *the Group Internal Control Committee (Comité de contrôle interne Groupe (CCIG) –* chaired by the Deputy Chief Executive Officer of Crédit Agricole S.A., minimum of four meetings per year) which coordinates the three control functions: it examines internal control issues common across the Group (including regulatory developments), looks at cross-functional actions within the Group, validates Crédit Agricole S.A. ES's Consolidated Supervision Scope, approves the annual report and half-yearly information on internal control prior to its presentation to the supervisory body;
- *the Asset-Liability Management Committee (ALM Committee, chaired by the Deputy General Manager in charge of the Steering division, six meetings per year):* it analyses the financial risks facing the Crédit Agricole Group, including the Issuer (interest rate, exchange rate and liquidity risks) and validates the guidelines for their management; validates certain methodologies specific to interest rate risk, decisions relating to the management of solvency and resolution ratios, and various other financial elements including notably the dividend policy of subsidiaries and the guidelines for the management of liquidity portfolios in terms of limits validated by the Group Risk Committee;
- *the Group Compliance Management Committee (Comité de management de la conformité Groupe (CCMG) –* chaired by the Deputy Chief Executive Officer of the Issuer, 12 meetings per year): it defines and validates the Group's Compliance policy, examines all draft compliance-related standards and procedures, prior to their implementation, examines all significant irregularities and approves corrective measures, makes all decisions related to remedial action for deficiencies, takes note of the main compliance related conclusions of audits conducted, conducts arbitrations within its remit, is informed of any new businesses and partnerships developed by Group entities that have received a favourable opinion from the New Business and New Product Committee (NAP Committee), approves the annual compliance report;
- *the Group Security Committee (Comité de sécurité Groupe – CSG, four meetings per year),* chaired by the Deputy General Manager in charge of the Technologies and Digital division is a decision-making committee that defines the Crédit Agricole Group's security strategy

in terms of information systems security, physical safety and security, data protection, business continuity and insurable corporate risk management, determines the Group's security projects, supervises the execution of the strategy and assesses the Group's level of control in the following four areas: security of people and property, security of Information Systems, business continuity plans, data protection.

#### Main Group-level Committees dealing with risk



In addition, each Group operating entity defines its own risk appetite framework and sets up a Risk Management and Permanent Controls function. Accordingly, within each business line and legal entity:

- a risk manager (*responsable de la fonction de Gestion des risques – RFGR*) is appointed;
- the Risk Manager supervises all the last-line control units within their areas of responsibility, covering oversight and permanent control of risks falling within the remit of the relevant business line; and
- has access to appropriate human, technical and financial resources. They must be provided with the information required by their role and have systematic and permanent access to any information, document, body (Committees, etc.), tools or even IT systems across their entire area of responsibility. They are associated with entity projects far enough in advance to be able to play their role effectively.

This principle of decentralising the Risk management function to operating entities aims to ensure that the business lines' risk management and permanent controls systems operate efficiently.

Group risk management is also reliant on a certain number of tools which enable DRG and the Group's executive bodies to fully comprehend the risks that present themselves:

- a robust IT and global risk consolidation system, within the trajectory defined by the Basel Committee on Banking Supervision for global systemically important banks (BCBS 239);
- generalised use of stress testing methodologies in Group credit, financial or operational risk procedures;
- formalised and up-to-date control standards and procedures, which define lending systems, based on an analysis of profitability and risks, individual and sectoral geographical anti-trust, as well as limits on interest rate, foreign exchange and liquidity risks;
- a Group recovery plan is updated on an annual basis, in accordance with the provisions of the BRRD, which establishes a framework for the recovery and resolution of credit institutions.

#### **(4) Credit Risk Management**

A credit risk is realised when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's books is positive. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various controlled entities, an investment fund, or an individual person.

##### ***Objectives and Policy***

Credit risk taking by Cr dit Agricole S.A. and its subsidiaries is subject to the risk appetite of the Group and entities and risk frameworks confirmed by the Board of Directors and approved by the Group Risk Committee, a sub-committee of the Cr dit Agricole S.A. Executive Committee chaired by the Chief Executive Officer. The risk frameworks are adjusted to each business line and its development plan. They set out applicable overall limits, intervention criteria (types of eligible counterparties, nature and maturity of eligible products, collateral required) and arrangements for delegating decision-making authority. These risk frameworks are adjusted as required for each business line, entity, business sector or country. Business lines are responsible for complying with these risk frameworks, and compliance is controlled by the Risk Managers.

CACIB also carries out active portfolio management, in order to reduce the main concentration risks borne by the Cr dit Agricole S.A. The Group uses market instruments, such as credit derivatives or securitisation mechanisms, to reduce and diversify counterparty risk and enable it to optimise its use of capital. Similarly, potential risk concentration is mitigated by syndication of loans with external banks and use of risk hedging instruments (credit insurance, derivatives).

Cr dit Agricole S.A. and its subsidiaries seek to diversify their risks in order to limit their exposure to credit and counterparty risks, particularly in the event of a crisis affecting a particular industry or country. To this end, Cr dit Agricole S.A. and its subsidiaries regularly monitor their total exposures by counterparty, by trading portfolio, by business sector and by country, using different internal calculation methods depending on the type of exposure.

To reduce the risk associated with the deterioration of the quality of its exposure to credit and counterparty risks, the Group may apply a hedging strategy consisting notably of the purchase

of credit derivatives.

In particular, with respect to counterparty risk on market transactions, the policy on credit reserves constitution on this type of risk is similar to credit risk, with a credit valuation adjustment (CVA) for “performing” customers that is economically comparable to a collective provision, and for defaulted counterparties, an individual provision sized in accordance with the derivative instrument position, taking into account the CVA amount already provisioned prior to the default.

In case of default, the impairment 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”. But it takes into account the CVA process, with two possible outcomes: either derivatives are left in place (CVA or individual impairment), or they are unwound (individual impairment).

### ***General Principles of Risk-taking***

All credit transactions require in-depth analysis of the customer’s ability to repay the debt and the most efficient way of structuring the transaction, particularly in terms of security and maturity. This analysis must comply with the risk framework of the business line or entity concerned and with all limits in force, both individual and aggregate. The final commitment decision is based on an internal rating of the counterparty and is taken by the commitment units or by the Credit Committees, on the basis of an independent opinion given by a representative of the Risk Management and Permanent Controls business line concerned, as part of the authorisation system in place. The Group Risk Committee and its Chair constitute the Group’s ultimate decision-making authority.

Each lending decision requires a risk-return analysis. For the Corporate and Investment banking, this means an ex ante calculation of the profitability of the transaction.

In addition, the principle of an individual risk limit applies to all types of counterparty, whether corporates, banks, financial institutions, public sector or semi-public sector entities.

### ***Risk Measurement Methods and Systems***

#### ***Internal Rating Systems and Credit Risk Consolidation Systems***

The internal rating systems cover all of the methods, procedures and controls used for assessment of credit risk, rating of borrowers and estimation of losses given default by the borrower. Governance of the internal rating system relies on the Standards and Methodology Committee (*Comité des normes et méthodologies – CNM*), chaired by the Group Chief Risk and Permanent Controls Officer, who is responsible for the validation and circulation of risk measurement and control standards and methodologies within the Crédit Agricole Group. In particular, the CNM reviews:

- the rules for identifying and measuring risks, in particular, counterparty rating methods, credit scoring and Basel risk parameter estimates (probability of default, credit conversion factor, loss given default) and related organisational procedures;

- the segmentation between retail customers and large customers, with related procedures such as risk consolidation information system data entry;
- the performance of rating and risk assessment methods by reviewing back-testing results at least once a year;
- the use of ratings (validation of common syntaxes, glossaries and benchmarks).

### *Credit Risk Measurement*

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilised facilities. To measure counterparty risk on market transactions, Crédit Agricole S.A. and its subsidiaries use different types of approaches to estimate the current and potential risk of derivative instruments (such as swaps and structured products).

### *Supervision System of Commitments*

Rules for dividing and limiting risk exposures, along with specific processes relating to commitments and grant criteria, are used to prevent any excessive concentration of the portfolio and to limit the impact of any underperformance. The Issuer's supervision system of commitments includes:

- process for monitoring concentrations by counterparty or group of related counterparties,
- portfolio review and sector monitoring process,
- process for monitoring counterparties in default and on credit watch,
- consolidated credit risk monitoring process,
- country risk monitoring and management system, and
- credit risk stress testing.

### *Credit Risk Mitigation Mechanisms*

#### *Collateral and guarantees received*

Guarantees or collateral are intended to provide partial or full protection against credit risk.

The principles governing the eligibility, utilisation and management of collateral and guarantees received as security are defined by Crédit Agricole Group's Standards and Methodology Committee (*Comité des normes et méthodologies* – CNM), (in accordance with the CRR/CRD V system for the calculation of the solvency ratio).

This common framework, defined in Group standards, ensures a consistent approach across the various Group entities. It notably documents the conditions for prudential recognition, and the valuation and revaluation methods of all the credit risk mitigation techniques that are used: collateral (notably for the financing of assets: property, aircraft, ships, etc.), personal guarantees, public export credit insurers, private credit insurance policies, financial guarantee insurance, credit derivatives, and cash collateral.



The entities are in charge of implementing this framework at the operational level (management, monitoring of valuations, implementation).

Regarding financial assets obtained by enforcement of guarantees or credit enhancement measures, the Group's policy is to sell them as soon as possible.

#### *Use of netting agreements*

If a "master" agreement has been signed with a counterparty and said counterparty defaults or enters bankruptcy proceedings, Cr dit Agricole S.A. and its subsidiaries apply close out netting, enabling them to terminate current contracts early and to calculate a net balance on the debts and debt obligations in respect of this counterparty. They also use collateralisation techniques to enable securities or cash to be transferred in the form of collateral or transfer of full ownership during the lifetime of the hedged transactions, which can be offset, in the event of default by one of the parties, in order to calculate the net balance of reciprocal debt and debt obligations resulting from the master agreement signed with the counterparty.

#### *Use of credit derivatives*

In managing its corporate financing portfolio, Cr dit Agricole CIB uses credit derivatives together with a range of risk-transfer instruments, including, in particular, securitisation.

### ***Application of IFRS 9***

#### *Credit Risk Measurement*

In the context of the health and economic crisis surrounding Covid-19, the Group continues to regularly revise its forward-looking macroeconomic outlook to determine the credit risk estimate.

The Group used four scenarios (i.e. "central scenario", "Moderate adverse" scenario, "Favourable" scenario and "Severe adverse" scenario) for calculating IFRS 9 provisioning parameters in production during December 2022, with the following projections for 2025.

These four scenarios were prepared in October 2022. They incorporate different assumptions on the effects of the Russia-Ukraine conflict, the inflationary shock suffered in particular by the Eurozone and the monetary tightening carried out by the Central Banks.

It should be noted that macro-economic projections were based, as a starting point, on the end of 2021, which saw a marked increase in GDP in the eurozone and the United States as well as the start of an inflation shock.

For more information on this, please refer to the 2022 URD.

#### *Expected Credit Losses (ECL) Trends*

Changes in the structure of outstanding amounts and ECL for the year ended 31 December 2022 are detailed in Note 3.1.2 "Change in carrying amounts and value corrections for losses over the period" to the Issuer's 2022 Financial Statements and the 2022 URD.

## **(5) Market Risk Management**

Market risk is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, the principle ones being: interest rates, foreign exchange rates, equity prices and indexes, credit spreads, and their respective volatilities.

### ***Objectives and Policy***

Crédit Agricole S.A. has a specific market risk management system with its own organisation independent of operational hierarchies, risk identification and measurement methods, monitoring and consolidation procedures. In terms of scope, this system hedges all market risk.

In an uncertain market environment marked by the Russia-Ukraine conflict and rising interest rates/inflation, the Crédit Agricole Group continued its prudent market risk management policy in line with its risk appetite framework.

### ***Local and Central Organization***

Crédit Agricole S.A. has two distinct and complementary levels of market risk control:

- at the central level, the Group Risk department ensures coordination on all subjects related to the management and control of cross-functional market risks. It standardises data and data processing to ensure consistency of both consolidated risk measurement and controls. It keeps the executive bodies (Executive Management of Crédit Agricole S.A.) and decision-making bodies (Board of Directors and the Board's Risk Committee) up-to-date on the Group's market risk exposure; Finally, it analyses the market risk frameworks defined by the entities on an annual basis, for subsequent validation by Crédit Agricole S.A.'s Executive Management;
- at the local level, for each entity of Crédit Agricole S.A., a Risk Management and Permanent Controls department steers the monitoring and control of the market risks of the entity.

Within the CACIB subsidiary, where the main capital market activities of Crédit Agricole S.A. take place, the Risk Management and Permanent Controls department includes the Market and Counterparty Risks (MCR) department, which is responsible for identifying, measuring and monitoring market risks. This department provides assistance in monitoring the market risks of international retail banks in addition to the local risk teams, as well as for the trading book of the Financial Steering Department of Crédit Agricole S.A., whose transactions are managed in the IT system of CACIB. The IT architecture put in place within CACIB for market risk management is based on sharing the platforms used in the Front Office, on which risk indicators are calculated; the independence of the process is based on the selection of market data and the validation of valuation models by the Risk department.

Group procedures define the level of information, the format and frequency of reporting that the entities must send to Crédit Agricole S.A. (Risk Management and Permanent Controls department).

### ***Decision-making and Risk Monitoring Committees***

Four governance bodies are involved in managing market risk at the level of Cr dit Agricole S.A.:

- the Group Risk Committee, chaired by the Chief Executive Officer of Cr dit Agricole S.A., approves the aggregate limits (VaR and Stress) on each entity's market risks when it presents its risk framework and makes the main decisions in the matter of risk management. It reviews Cr dit Agricole Corporate and Investment Bank's market and risk position on a half-yearly basis;
- the Executive Committee reviews the market risk alerts issued every two weeks by the Group Risk department;
- the Alert Monitoring Committee chaired by the Chief Risk Officer, reviews all reported alerts on a monthly basis;
- the Standards Committee of Cr dit Agricole S.A. (respectively the Ethics Committee of Cr dit Agricole Corporate and Investment Bank) is in charge of validating the regulatory prudential standards and models implemented within the scope of capital market activities, excluding Cr dit Agricole Corporate and Investment Bank (respectively Cr dit Agricole Corporate and Investment Bank, by delegation).

In addition, each entity has its local own Risk Committee. The most important of these is CACIB's Market Risk Committee (MRC), which meets once a month and is chaired by the Management Committee member in charge of risk. The Market Risk Committee involves Cr dit Agricole Corporate and Investment Bank's Head of Capital Market Activities and those responsible for monitoring market risks. This Committee reviews CACIB's positions and the profit and loss account of its capital market activities and verifies compliance with the limits assigned to each activity. It has the authority to make decisions on requests for increases in operational limits.

### ***Indicators for Market Risk Measurement and Supervision Methodology***

The market risk measurement and supervision system is based on a combination of several indicators, most of which are subject to global or specific limits. It relies principally on Value at Risk (VaR), stressed VaR, stress scenarios and complementary indicators (nominal positions, wrong way risk, sensitivities to risk factors etc.) and a process that values all positions in each entity giving rise to market risks. The permanent control process includes procedures to validate and back-test models.

### ***Equity Risk***

The different types of business are exposed to equity risk. The equity risk incurred by the capital market activities of Cr dit Agricole CIB is hedged by the overall management through VaR. The other outstandings exposed to equity risk correspond to portfolios that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity indexes.

A number of Cr dit Agricole S.A. entities hold portfolios that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity

indexes.

In accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code (*Code de commerce*) and European Commission Regulation 2273/2003 of 22 December 2003, the Combined General Meeting of Shareholders of Crédit Agricole S.A. may grant authority to the Board of Directors of Crédit Agricole S.A. to trade in its own shares. Crédit Agricole S.A. uses such an authorisation mainly to cover its commitments to employees under stock options or to stimulate the market in a market-making agreement.

## **(6) Risks under Asset and Liability Management**

### ***Structural Financial Risks***

The Issuer's Financial Management department defines the principles of financial management and ensures their consistent application within Crédit Agricole S.A. The department is responsible for organising financial flows, defining and implementing refinancing rules, performing asset and liability management and managing regulatory prudential ratios.

Optimising financial flows within Crédit Agricole S.A. is an ongoing objective. Pooling of surplus resources and making it systematically possible to hedge the associated risks contribute to this objective.

Thus, the principles of the Crédit Agricole S.A. ALM approach ensure that any surpluses and shortfalls in terms of customer resources, in particular resources collected by the Regional Banks, are centralised in the books of Crédit Agricole S.A. This resource pooling helps in refinancing other Group entities as needed (including Crédit Agricole Leasing & Factoring and Crédit Agricole Consumer Finance).

The system for centralising the management of liquidity at Crédit Agricole S.A. serves to control and optimise cash management, especially since it is accompanied by partial interest rate matching.

Consequently, Crédit Agricole S.A. has a high level of financial cohesion, with limited spreading of financial risks, particularly liquidity risk. Nevertheless, various entities are responsible for managing the risk that remains at their level, within the limits assigned to them.

The limits are determined by the Chief Executive Officer of Crédit Agricole S.A. within the Group Risk Committee, approved by Crédit Agricole S.A.'s Board of Directors and concern the Crédit Agricole S.A. scope:

- subsidiaries taking asset and liability risks must adhere to limits set by the Crédit Agricole S.A. Risk Committee;
- methods of measuring, analysing and managing the Group's assets and liabilities are defined by Crédit Agricole S.A. Regarding the Retail Banking balance sheets in particular, a consistent system of run-off conventions and models has been adopted for the Regional Banks, LCL and the international subsidiaries;
- Crédit Agricole S.A. consolidates the subsidiaries' measurements of their asset and liability risks. The results of these measures are monitored by the Crédit Agricole S.A. Liquidity

and ALM (Asset Liability Management) Committee;

- Crédit Agricole S.A.'s Financial Management department and Risk Management and Permanent Controls department take part in meetings of the ALM Committees of the main subsidiaries.

### ***Global Interest Rate Risk***

#### *Objectives*

The objective of global interest rate risk management is to stabilise the future profits of the bank against the impact of any adverse interest rate movements.

Changes in interest rates impact the interest margin by creating mismatches in timing or in the type of indexation between assets and sources of funds. Interest rate risk management uses balance sheet or off-balance sheet transactions to limit the resulting volatility in income.

The scope for monitoring the global interest rate risk is made up of entities whose business generates an interest rate risk:

- LCL group;
- Crédit Agricole S.A.;
- International retail banks, in particular the Crédit Agricole Italia Group;
- Crédit Agricole Corporate and Investment Bank;
- Crédit Agricole Consumer Finance group;
- Crédit Agricole Leasing & Factoring group;
- CACEIS;
- Amundi.

The interest rate risk borne by the Insurance business is monitored using indicators specific to this business line. An assessment of the impact of an instantaneous rate shock on the level of own funds under Solvency 2 is performed on the Crédit Agricole Assurances scope. This indicator is incorporated within an alert threshold.

#### *Limitation system and hedging practices*

The rules for setting limits are intended to protect the bank's net asset value in accordance with Pillar 2 of the Basel 3 regulations regarding global interest rate risk and to limit the volatility, over time, of net interest margins by avoiding sizeable concentrations of risk on certain maturities.

The limits set at entity and scope level put bounds on the extent of the maximum discounted loss over the whole of the next 30 years and the maximum annual loss over each of the next 10 or 15 years in the event of a rate shock.

Each entity (including Crédit Agricole S.A.) manages its own exposure and hedges the interest

rate risks generated by this method of financial organisation using financial instruments (on- and off-balance sheet, futures or options) under the supervision of its ALM Committee, in compliance with the its limits and Group standards.

The Group's Financial Steering department and Risk department are represented on the main subsidiaries' ALM Committees. They ensure the harmonisation of methods and practices across the Group and monitor compliance with the limits assigned to each of the subsidiaries' entities.

In addition to validation by the Group Risk Committee, the limits of the subsidiaries and Crédit Agricole S.A. and Crédit Agricole Groups are approved by the governing body of each entity.

Limits that are reviewed annually and approved by Crédit Agricole S.A.'s Board of Directors govern the Group's exposure to global interest rate risk. These limits govern interest rate risk, inflation risk and basis risk.

The rules that apply in France to the setting of the Livret A index a portion of the interest to average inflation over a rolling six-month period. The interest on other passbooks is also correlated with the same half-yearly average inflation rate. As a result, the Group hedges the risk associated with these balance sheet items using instruments (carried on or off the balance sheet) for which the underlying is an inflation rate.

#### *Role and practices of the Asset-Liability Management Committee*

The Issuer manages its exposure under the supervision of the Crédit Agricole S.A. Asset-Liability Management Committee in compliance with its limits and internal standards.

This Asset-Liability Management Committee is chaired by Executive Management and includes several members of the Executive Committee as well as representatives of the Risk Management department:

- it examines the individual positions of Crédit Agricole S.A. and its main subsidiaries, along with consolidated positions for each quarterly closing;
- it examines compliance with the applicable limits;
- it validates the guidelines for the global interest rate risk of Crédit Agricole S.A. proposed by the ALM department.

Each Regional Bank's situation as regards global interest rate risk is reviewed quarterly by the Regional Banks' Risk Management Committee.

#### ***Foreign Exchange Risk***

Foreign exchange risk is treated differently depending on whether it relates to structural foreign exchange positions (revalued through OCI) or to operational foreign exchange positions (revalued through P&L).

##### *Structural foreign exchange risk*

The Issuer's structural foreign exchange risk arises from long-term investments by the Group in assets denominated in foreign currencies (equity of the international operating entities,

whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with the Group's reference currency being the euro.

The main principles of the management of structural foreign exchange positions are:

- over a one-year period, hedging of the portion of structural positions that are intended to become operational positions (earnings in progress intended to be distributed, holdings intended to be sold in the near future);
- over a more medium-/long-term period, an adjustment to the level of hedging of structural foreign exchange positions in order to protect the Group's CET1 ratio against foreign exchange rate fluctuations. This should include the implementation of new coverage in the event of overimmunization or the termination of existing coverage in the event of under-immunization. An entity may, however, choose not to hedge a position denominated in a currency that is over-immunized if the cost of the hedge is considered too high in relation to the profit earned or the amount of the position in question is not material.

Five times a year, the Issuer's structural foreign exchange positions are presented to Crédit Agricole S.A. ALM Committee, which is chaired by the Chief Executive Officer. General decisions on how to manage positions are taken during these meetings.

#### *Operational foreign exchange risk*

Operational foreign exchange risk arises from income and expenses of all kinds that are denominated in currencies other than the euro (provisions, net income generated by international subsidiaries and branches, dividends in foreign currencies, etc.), and from balance sheet imbalances.

Crédit Agricole S.A. manages the positions affected by foreign currency income and expenses that appear on its books, as does each entity within the Group that bears significant risk. The Treasury departments of international subsidiaries manage their operational foreign exchange risk in their local currency.

The Group's general policy is to limit its operational foreign exchange positions and not to hedge revenues that have not yet materialised, unless there is a strong probability that losses will materialise and unless the impairment risk is high.

In accordance with the foreign exchange risk monitoring and management procedures, operational foreign exchange positions are updated monthly or daily for foreign exchange trading operations.

In view of the predominance of its savings and retirement activities, the Crédit Agricole Assurances Group is more particularly exposed to market risks (equity risk, spread risk) and asset/liability risks (liquidity and interest rate risk). Crédit Agricole Assurances Group also faces insurance risks. Lastly, it is exposed to operational risk linked to non-compliance risk and to legal risk particularly in process execution.

#### ***Liquidity and Financing Risk***

Like all credit institutions, the Group is exposed to liquidity risk, i.e. the risk of not having

sufficient funds to honour its commitments. This risk could materialise if, for instance, there were a general crisis of confidence among investors in the money and bond markets or massive withdrawals of customer deposits.

#### *Objectives and policy*

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.

To manage this, the Group uses an internal liquidity risk management and control system whose targets are:

- to maintain liquidity reserves;
- to match these reserves with future liabilities coming due;
- to organise its refinancing (to achieve an appropriate short and long-term refinancing timeframe and diversify sources of refinancing);
- to ensure a balanced development between customer loans and deposits.

The system includes indicators, limits and alert thresholds. These are calculated and monitored for all Group entities and consolidated to allow monitoring of liquidity risk across the whole Crédit Agricole Group scope.

It also incorporates compliance with regulatory liquidity constraints. The LCR, the NSFR and the Additional Liquidity Monitoring Metrics (ALMM), calculated on a company or sub-consolidated basis for the Group entities in question and on a consolidated basis for the Group, are disclosed in monthly (LCR/ALMM) or quarterly (NSFR) reports to the ECB.

#### *Liquidity Management*

The Issuer controls the management of liquidity risk. The Finance department is responsible, in respect of short-term refinancing, for:

- setting spreads on short-term funds raised under the various programmes (mainly negotiable certificates of deposit – NCDs);
- centralising assets eligible for refinancing by the central banks of Group entities and specifying the terms and conditions of use in the framework of tenders;
- monitoring and forecasting cash positions.

And in respect of long-term refinancing, for:

- assessing needs for long-term funds;
- planning refinancing programmes to meet these needs;
- executing and monitoring these programmes over the course of the year;
- reallocating the funds raised to Group entities;
- setting prices for liquidity in intragroup flows.



Long-term refinancing programmes comprise various instruments. The body in charge of these tasks at an operational level is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. It proposes policy directions for the Group's Asset-Liability Management and Capital Liquidity Committee.

The Asset-Liability Management and Capital Liquidity Committee, chaired by the Deputy General Manager and Chief Financial Officer of Crédit Agricole S.A. (who is also informed of the Group's liquidity position) is responsible for all key decisions (management of the refinancing programme, launch of new programmes, validation of refinancing budgets and management of the balance between loans and deposits etc.).

If funding markets tighten, a Committee is set up by the Executive Management, the Group Risk Management and Permanent Controls department and the Group Finance department in order to keep a close watch on the Group's liquidity situation.

## **(7) Operational Risks Management**

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, staff, information systems or external events. It includes legal risk, non-compliance risk, internal and external fraud risk, the model risk and the risks generated by the use of outsourced services.

### ***Organisation and Supervision System***

The operational risk system, adjusted to each Crédit Agricole Group entity, comprises the following components common to the entire Crédit Agricole Group.

- (a) Organisation and governance of the Operational Risk Management function:
  - supervision of the system by Executive Management (via the Operational Risk Committee or the operational risk unit of the Group Risk Committee and the Internal Control Committee);
  - tasks of the Risk Management Officers (Crédit Agricole S.A. and its subsidiaries) and the Operational Risk Managers at local level in terms of management of the operational risk management system;
  - responsibility of the entities in managing their own risks;
  - set of standards and procedures;
  - dissemination of Crédit Agricole Group's risk appetite approach implemented in 2015 and incorporating operational risk.

- (b) Identification and qualitative assessment of risks through risk mapping

Risk mapping is done annually by the entities and is used by each entity with the results and associated action plans validated by the Operational Risk Committee (operational risk unit of the Internal Control Committee) and a presentation to the Risk Committee of the Board of Directors.

This mapping is supplemented by the establishment of risk indicators to monitor the

most sensitive processes.

- collection of operational loss data and an early-warning system to report sensitive, significant incidents (including IT incidents), which are consolidated in a database used to measure and monitor the cost of risk. The reliability and quality of the data collected are submitted to systematic audits both at the local and central levels.
- the calculation and regulatory reporting of capital for operational risk at the consolidated and entity levels.
- the quarterly production of an operational risk dashboard at entity level, accompanied by a Crédit Agricole Group summary, taking into account the main sources of risks affecting the business lines and associated action plans for major incidents.

## **(8) Legal Risks**

The main legal and tax proceedings outstanding at Crédit Agricole S.A. and its fully consolidated subsidiaries as at 31 March 2023 are described below.

Any legal risks outstanding at 31 March 2023 that could have a negative impact on the Issuer's net assets have been covered by adequate provisions, which correspond to Executive Management's best estimates, based on the information available to it.

To date, to the best of the Issuer's knowledge, there is no other governmental, judiciary or arbitration proceedings (or any proceedings known by the Issuer suspended or threatened) that could have or has had, in the previous 12 months, any substantial effect on the financial position or the profitability of the Issuer and/or the Crédit Agricole Group.

### **Strauss/Wolf/Faudem**

U.S. citizens and members of their families who were victims of terrorist attacks attributed to Hamas and committed in Israel between 2001 and 2004 have brought proceedings against Crédit Lyonnais and another bank before a New York court.

They claim that these banks gave support to terrorists as they each kept an account opened (in 1990 in the case of Crédit Lyonnais) by a charity providing aid to Palestinians. The plaintiffs allege that the account was used to transfer funds to Palestinian entities accused of financing Hamas. The plaintiffs, who have not put a figure on the damages they have suffered, are claiming compensation for "injury, anguish and emotional pain".

As the matter and the proceedings currently stand, the plaintiffs have not provided proof that the charity was actually linked to terrorists, nor that Crédit Lyonnais was aware that its customer could have been involved (if it were to be proven) in financing terrorism. The Court nonetheless demanded that this be demonstrated by the plaintiffs if they are to win their case. Crédit Lyonnais vigorously denies the plaintiffs' allegations.

Under a ruling made on 28 February 2013, the judge issued a Summary Judgement referring Crédit Lyonnais and the plaintiffs to a jury trial on the merits.

In February 2018, Crédit Lyonnais filed a new motion for a summary judgement based on a recent case-law so that the plaintiffs' claims can be dismissed without such a jury trial.

In January 2019 the plaintiffs tried to modify their briefs in order to add new plaintiffs before their action was time-barred. The judge refused this request and two new actions (Fisher and Miller) were filed in the same court as the one in charge of the Strauss/Wolf proceedings. They are similar to the pending actions, their legal analysis is identical and their result will depend on the outcome of the motion for a summary judgement filed by Crédit Lyonnais in February 2018. From a procedural standpoint they will remain suspended until then.

On 31 March 2019 the court upheld in its entirety the motion for summary judgment filed by Crédit Lyonnais in February 2018. It considered that no reasonable jury could find in favour of the plaintiffs and dismissed all their claims. The plaintiffs appealed against this decision.

On 7 April 2021 the Second Circuit Court of appeals dismissed the Plaintiffs' appeal.

On 3 September 2021, the plaintiffs filed an appeal with the US Supreme Court. On 7 January 2022, the Supreme Court sought the opinion of the US Solicitor General as to whether it was appropriate to examine this appeal. In May 2022, the US Solicitor General recommended that the Supreme Court should refuse to reopen the case. On 27 June 2022, the Supreme Court rejected the plaintiffs' appeal, which means that the rejection of the claims made against Crédit Lyonnais is now definitive.

### **CIE case (Cheque Image Exchange)**

In March 2008, LCL and Crédit Agricole S.A. and ten other banks were served notice of grievances on behalf of the Conseil de la concurrence i.e. the French Competition Council (now the Autorité de la concurrence).

They were accused of colluding to implement and apply interchange fees for cashing cheques, since the switch to the Cheque Image Exchange system, i.e. between 2002 and 2007. In the opinion of the French Competition Authority, these fees constitute anti-competitive price agreements within the meaning of Article 81 paragraph 1 of the treaty establishing the European Community and Article L. 420-1 of the French Commercial Code (*Code de commerce*), and allegedly caused damage to the economy.

In their defense, the banks categorically refuted the anticompetitiveness of the fees and contested the legality of the proceedings.

In a decision published on 20 September 2010, the French Competition Authority stated that the Cheque Image Exchange fee (CEIC) was anti-competitive by its very aim and that it artificially increased the costs borne by remitting banks, which resulted in an unfavourable impact on the prices of banking services. Concerning one of the fees for related services, the fee for cancellation of wrongly cleared transactions (AOCT), the French Competition Authority called on the banks to revise their amount within six months of the notification of the decision.

The accused banks were sanctioned for a total amount of €384.92 million.

LCL and Crédit Agricole were respectively sentenced to pay €20.7 million and €82.1 million for the CEIC and €0.2 million and €0.8 million for the AOCT.

All of the banks appealed the decision to the Paris Court of Appeal. By a decree of 23 February 2012, the Court overruled the decision, stating that the French Competition Authority had not proven the existence of competition restrictions establishing the agreement as having an anti-competitive purpose.

The French Competition Authority filed an appeal with the Supreme Court on 23 March 2012.

On 14 April 2015, the French Supreme Court (*Cour de cassation*) overruled the Paris Court of Appeal's decision dated 23 February 2012 and remanded the case to the Paris Court of Appeal with a change in the composition of the Court on the sole ground that the Paris Court of Appeal declared the UFC-Que Choisir and ADUMPE's interventions in the proceedings devoid of purpose without having considered their arguments.

The Supreme Court did not rule on the merits of the case and Crédit Agricole has brought the case before the Paris Court of Appeal.

The Paris Court of Appeal issued a decree on 21 December 2017. It confirmed the decision of the French Competition Authority dated 20 September 2010 but reduced from €82,940,000 to €76,560,000 the sanction on Crédit Agricole. LCL's sanction remains unchanged, at an amount of €20,930,000.

As well as the other banks parties to this procedure, LCL and Crédit Agricole filed an appeal with the Supreme Court.

On 29 January 2020, the French Supreme Court (*Cour de Cassation*) overruled the Paris Court of Appeal's decision of 21 December 2017 and referred the case to the same Court with a different composition on the ground that the Paris Court of Appeal had not characterized the existence of restrictions of competition by object.

In a decision dated 2 December 2021, the Paris Court of Appeal overturned the French Competition Authority's decision and ruled that it is not established that the introduction of the CEIC and the AOCT constituted any anti-competitive practices by their object or by their effects.

On 31 December 2021, the French Competition Authority appealed to the French Supreme Court (*Cour de cassation*) against this decision.

### **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 Cr dit Agricole S.A. and Cr dit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Cr dit Agricole CIB. Cr dit 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 19 October 2018 the two deferred prosecution agreements with USAO and DANY ended at the end of the three year period, Cr dit Agricole CIB having complied with all its obligations under the DPAs.

Cr dit 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, Cr dit 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**

Cr dit Agricole S.A. and its subsidiary Cr dit 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, Cr dit Agricole S.A. and its subsidiary Cr dit 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, Cr dit 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 Cr dit Agricole S.A. and to Cr dit 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 Cr dit Agricole S.A. and Cr dit Agricole CIB  114,654,000 for participating in a cartel in euro interest rate derivatives. Cr dit Agricole S.A. and Cr dit Agricole CIB are challenging this decision and

have asked the European Court of Justice to overturn it. The hearing before the European Court of Justice was held on 17 March 2022 and the date of the judgement is not known at the present time.

The Swiss competition authority, COMCO, has conducted an investigation into the market for interest rate derivatives, including the Euribor, with regard to Cr dit Agricole S.A. and several Swiss and international banks. This investigation was closed following a settlement under which the Issuer agreed to pay a penalty of CHF 4,465,701 and proceedings costs amounting to CHF 187,012 without any admission of guilt.

Moreover, in June 2016 the Korea Fair Trade Commission (KFTC) decided to close the investigation launched in September 2015 into Cr dit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The investigation into certain foreign exchange derivatives (ABS-NDF) was closed by the KFTC according to a decision notified to Cr dit Agricole CIB on 20 December 2018.

Concerning the two class actions in the United States of America in which Cr dit Agricole S.A. and Cr dit 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 Cr dit Agricole S.A. as defendant for the other (“Lieberman” for Libor), the “Lieberman” class action is now closed, as the plaintiffs decided to voluntarily dismiss from the proceedings. Concerning the “Sullivan” class action, Cr dit Agricole S.A. and Cr dit Agricole CIB had introduced a motion to dismiss the plaintiffs’ claim, which was, in first instance, granted by the US District Court of New York State. On 14 June 2019, the plaintiffs had appealed this decision. While awaiting the decision on this appeal, the U.S. Second District Court of Appeal handed down on 31 December 2021, in a separate case (known as GELBOIM), a decision modifying its jurisprudence on the personal jurisdiction of US courts over foreign defendants. In order to avoid possible negative consequences of this reversal of jurisprudence on the ongoing appeal, Cr dit Agricole S.A. and Cr dit Agricole CIB had negotiated with the plaintiffs a settlement to permanently end the proceedings providing for the payment to the plaintiffs of 55 million US dollars, which was made in 2022. This settlement, which does not involve any admission of guilt from Cr dit Agricole S.A. and Cr dit Agricole CIB, was homologated by the New-York court on November 15, 2022, a decision that was not appealed. According to the usual cooperation provisions of such an agreement, a request for confirmatory discovery could possibly be submitted to Cr dit Agricole S.A. and Cr dit Agricole CIB by the plaintiffs in 2023 in the event that this would be necessary in the context of their discussions to reach an agreement with other parties that have not settled yet.

Since 1 July 2016, Cr dit Agricole S.A. and Cr dit 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 Cr dit Agricole S.A. and Cr dit Agricole CIB, the New York Federal District Court, ruling on a new request by the plaintiffs, excluded Cr dit 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 Cr dit 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 26 July 2019, the Federal Court granted the defendants' motion to dismiss. The plaintiffs filed a notice of appeal on 26 August 2019.

On 17 March 2021, a three-judge panel of the Court of Appeal of the 2nd Circuit reversed the dismissal and returned the case to the District Court. The defendants, including Crédit Agricole CIB, requested the Second Circuit Court to rehear the case "en banc" (all the active judges of the Court). This motion was denied by the Second Circuit Court on 6 May 2021. Another motion was filed on 12 May 2021 by the defendants seeking a stay of this decision remanding the case to the District Court, which was rejected on 24 May 2021. On 1 October 2021, the defendants filed a petition for writ of certiorari with the US Supreme Court, which decided on 10 January 2022 not to consider the case. A new petition, currently under review, has been filed by the defendants before the District Court in an attempt to stop this action.

On 27 May 2022, the 13 defendants entered into a settlement agreement with the plaintiffs to definitely dismiss this action. This agreement provides for payment of a fixed sum to the plaintiffs, with distribution plan for each plaintiff. It therefore provides for payment by Crédit Agricole CIB of \$7.3 million (8.03% of the total amount). This agreement which includes no acknowledgement of culpability on the part of Crédit Agricole CIB, was homologated by the New York court on 29 November 2022, a decision that was not appealed.

### **Bonds SSA**

Several regulators requested information to Crédit Agricole S.A. and to Crédit Agricole CIB for investigations relating to activities of different banks involved in the secondary trading of Bonds SSA (Supranational, Sub-Sovereign and Agencies) denominated in American dollars. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information available. On 20 December 2018, the European Commission issued a Statement of Objections to a number of banks including Crédit Agricole S.A. and Crédit Agricole CIB within its inquiry on a possible infringement of rules of European Competition law in the secondary trading of Bonds SSA denominated in American dollars. Crédit Agricole S.A. and Crédit Agricole CIB became aware of these objections and issued a response on 29 March 2019, followed by an oral hearing on 10-11 July 2019.

In a decision dated 28 April 2021, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB € 3,993,000 for participating in a cartel in the secondary trading market of Bonds SSA denominated in American dollars. On 7 July 2021, Crédit Agricole S.A. and Crédit Agricole CIB appealed this decision to the General Court of the European Union.

Crédit Agricole CIB was included with other banks in a putative consolidated class action before the United States District Court for the Southern District of New York. That action was

dismissed on 29 August 2018 on the basis that the plaintiffs failed to allege an injury sufficient to give them standing. However the plaintiffs were given an opportunity to attempt to remedy that defect. The plaintiffs filed an amended complaint on 7 November 2018. Crédit Agricole CIB as well as the other defendants filed motions to dismiss the amended complaint. An order issued on 30 September 2019 dismissed the class action against CACIB for lack of personal jurisdiction and, in a subsequent ruling, the Court held that the plaintiffs had in any event failed to state a claim for violation of US antitrust law. In June 2020, the plaintiffs took an appeal from both of the Court's orders. On 19 July 2021, the Second Circuit Court of Appeals affirmed the district court's holding that plaintiffs had failed to state a claim for violation of US antitrust law. Plaintiffs' deadline to seek further review of the district court's decision from the US Supreme Court passed on 2 December 2021 without plaintiffs seeking review by that Court. Plaintiffs subsequently sought leave to file a motion to vacate the trial court's judgment, on the basis that the trial court judge had not disclosed a conflict of interest at the outset of the action. The action was reassigned to a new judge for purposes of considering that request, and that new judge ordered the parties to brief the issue for her review. On 3 October 2022, that judge, District Judge Valerie Caproni, issued an opinion and order denying the plaintiffs' motion to vacate the judgment and instructing the Clerk of Court to close the case. Plaintiffs did not take an appeal from Judge Caproni's ruling.

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 was filed in the Federal Court of Canada. The action before the Ontario Superior Court of Justice was dismissed on 19 February 2020. The Crédit Agricole defendants have reached an agreement in principle to resolve the proceedings before the Federal Court. The final agreement has yet to be negotiated, signed and approved by the court.

### **O'Sullivan and Tavera**

On 9 November 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 District Court for the District of New York.

On 29 December 2018, the same group of individuals, together with 57 new plaintiffs, filed a separate action ("O'Sullivan II") against the same defendants.

On 21 December 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. On 20 May 2019, defendants filed an opposition to plaintiffs' motion, and plaintiffs filed a reply brief on 10 June 2019. On 25 February 2020 the plaintiffs' motion to amend their complaint was denied and their original complaint dismissed with prejudice.

On 28 May 2020, plaintiffs filed a motion requesting that the court enter a final judgment against defendants to allow an appeal. On 11 June 2020, the defendants filed an opposition to plaintiffs' motion and plaintiffs filed a reply brief on 18 June 2020. On 29 June 2021, the court dismissed the plaintiffs' motion.

On 28 July 2021, the court stayed the O'Sullivan I action pending a decision in the appeal in a related case, *Freeman v. HSBC Holdings, PLC*, No. 19-3970 (2d. Cir.). (The O'Sullivan II and Tavera cases have been previously stayed pending that appeal.) On 20 January 2023, the court extended the stay in the O'Sullivan I and O'Sullivan II actions pending a decision in the appeal to the U.S. Supreme Court in *Twitter, Inc. v. Taamneh, et al.*, which involves application of the Anti-Terrorism Act to social media companies. In the Tavera case, on 31 January 2023, the parties requested that the court stay the case until after the Supreme Court's decision in the Twitter appeal.

### **Intercontinental Exchange, Inc. ("ICE")**

On 15 January 2019, a class action ("Putnam Bank") was filed in a federal court in New York (U.S. District Court for the 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. The action was filed by plaintiffs who claimed to have invested in financial instruments indexed to the USD ICE Libor. They accused the banks of having collusively set the index at artificially low levels since February 2014 and thus made illegal profits.

On 31 January 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 1 February 2019, these two class actions were consolidated for pre-trial purposes.

On 4 March 2019, a third class action ("Hawaii Sheet Metal Workers retirement funds") was filed against the same banks before the same court and consolidated with the two previous actions on 26 April 2019. On 1 July 2019, the plaintiffs filed a "Consolidated Class Action Complaint".

On 30 August 2019, the defendants filed a motion to dismiss against this consolidated complaint.

On 26 March 2020, a judgment granted the Defendants Motion to Dismiss. On 24 April 2020, the plaintiffs filed a notice of appeal.

On 30 November 2020, during briefing of the appeal, plaintiffs' lawyers informed the defendants that all of the named plaintiffs wished to withdraw from the case and, on 1 December 2020, plaintiffs' counsel filed the motion to stay the appeal, which the defendants opposed. The court denied the motion on 7 December 2020 and the plaintiffs filed their reply brief on 15 December 2020.

On 28 December 2020, DYJ Holdings Inc. filed a motion for leave to intervene to replace the current named plaintiffs. On 7 January 2021, defendants filed a brief in opposition to DYJ Holdings' motion and also filed a motion to dismiss the appeal.

On 6 April 2021, the court granted DYJ Holdings Inc.'s motion for leave to intervene and rejected the defendants' motion.

On 10 June 2021, the defendants filed a supplementary brief concerning questions of merit relating to the investments of DYJ Holdings Inc.

On 14 February 2022, the Second Circuit court rejected the appeal.

DYJ Holdings did not appeal against the rejection of its claim before the Supreme Court within the legal limit allowed, and the case is therefore now closed.

### **Crédit Agricole Consumer Finance Nederland B.V.**

The conditions for the review of the interest rates of revolving loans marketed by Crédit Agricole Consumer Finance Nederland B.V., a wholly owned subsidiary of Crédit Agricole Consumer Finance S.A., and its subsidiaries are the subject of borrowers' claims relating to the criteria for revising these rates and possible overpayments of interests.

On 21 January 2019, in two individual cases concerning two subsidiaries of Crédit Agricole Consumer Finance Nederland B.V., the Appeals Committee of the KIFID (the Financial Services Complaints Authority) in the Netherlands decided that in case the consumers had no or insufficient information on the specific factors that determine the interest rate, the individual interest rate needed to follow the movement of market interest rates on consumer loans.

Crédit Agricole Consumer Finance Nederland B.V. implemented a compensation plan for the benefit of the borrowers in May 2020 which takes into account the aforementioned decisions of KIFID. Other institutions in the Netherlands have implemented compensation plans. Crédit Agricole Consumer Finance Nederland B.V. Supervisory board decided to close this compensation plan on 1 March 2021.

### **CACEIS Germany**

CACEIS Germany received from the Bavarian tax authorities on 30 April 2019 a claim for the repayment of the dividend tax refunded to a number of its customers in 2010.

This claim amounted to €312 million. It was accompanied by a demand for the payment of €148 million of interests (calculated at the rate of 6% per annum).

CACEIS Germany (CACEIS Bank S.A.) strongly challenge this claim that it finds to be totally unfounded. CACEIS Germany filed several claims before the Munich Tax office in order to, on the one hand, challenge the Munich Tax office's claim for the repayment of the dividend tax and, on the other hand, request a stay of enforcement of the payment obligation pending a final decision on the substance. The stay of enforcement was granted for the payment of 148 million euros of interests and rejected for the repayment of the amount of 312 million euros. CACEIS Bank SA appealed against the decision to reject. The rejection being enforceable, the sum of 312 million euros was paid by CACEIS Bank S.A. which, given the ongoing appeal proceedings, recorded a claim for an equivalent amount in its accounts. As CACEIS Bank SA's arguments have been rejected by the Munich Tax office on 25 November 2022, CACEIS Bank SA filed on 21 December 2022 a lawsuit with the Munich Tax Court against the said Munich Tax office's decision and against the claim for the repayment of the dividend tax. As CACEIS Bank SA is confident in its arguments, it has not made any modification to its accounts.

### **Binding agreements**

Crédit Agricole S.A. does not depend on any industrial, commercial or financial patent, licence or contract.

### **(9) Non-Compliance Risks**

The Group has defined and implemented an updated, adequate and proportionate non-compliance risk management system that involves all Group stakeholders (employees, executives and Directors, control functions including Compliance). This system is based in particular on an organisation, procedures, information systems or tools, which may in some cases include an artificial intelligence component, used to identify, assess, monitor and control these risks and, where relevant, to determine and follow up on the necessary corrective action plans. A dedicated monitoring plan that ensures that control of the risks of non-compliance and their impacts (financial losses, or legal, administrative or disciplinary sanctions) is minimised, with the ongoing target to preserve the Group's reputation. The control of non-compliance risks is in particular based on permanent indicators and controls deployed within the entities, supervised at Group level by the Group Compliance department (including analyses of compliance failures). These indicators (including KPIs, KRIs, control results) and the evaluation of the quality of the system are the subject of regular reporting to the steering and governance bodies of the entities and the Group.

The system is structured and deployed by the Crédit Agricole Group's Compliance business line. It is placed under the authority of the Group Head of Compliance, who reports directly to the Deputy Chief Executive Officer of Crédit Agricole S.A., responsible for ensuring the coherence and effectiveness of the internal controls. To develop the integration of the business line and ensure the independence of its roles, the Compliance Officers of Crédit Agricole S.A. subsidiaries report hierarchically to the Group Head of Compliance, unless prevented by local law. The Compliance Officers of the Regional Banks have a functional link with the Compliance department. The workforce of the Group Compliance business line has almost doubled in seven years, reaching more than 1,900 positions at end-2022. 49% of these positions are dedicated to financial security, 20% to customer protection, 8% to fraud prevention and the remaining 23% to activities such as training, market integrity, management and personal data

protection. Retail Banking in France and abroad accounts for 42% of this workforce, while 26% are involved in Large Customer and Private Banking activities. The Group has also significantly strengthened its governance and teams located in the United States, in particular with a 70% increase in local compliance staff. Lastly, in 2022, the Group Compliance department strengthened its Human Resources management in order to facilitate career development and increase the attractiveness of the Compliance business line within the Group.

The Group Compliance department of Crédit Agricole S.A. establishes Group policies pertaining to compliance with regulations and legislation and ensures that these are properly disseminated and applied throughout the Group entities. To this end, it has teams specialised by area of expertise: financial market integrity and transparency, financial security, international sanctions and asset freezing, customer protection, fraud and corruption prevention. In the context of the entry into force of the European General Data Protection Regulation (GDPR), the Group Data Protection Officer (DPO) reports directly to the Head of Group Compliance and is in charge of managing the DPO division of Crédit Agricole.

The Group Compliance department also leads and supervises the Compliance business line. Launched in 2021 and enhanced in 2022, the Smart Supervision system is intended to strengthen the supervision of the entities through a uniform, structured and consolidated methodology. The methodology aims, via a risk-based approach, to prioritise supervision issues by entity and ensure tighter management of the entities according to the identified shortcomings. This method relies on automated dashboards and optimised and rationalised risk sensors. Thus, numerous actions to strengthen the system for combating financial crime, in particular with regard to combating money laundering and the financing of terrorism, were carried out in 2022. In addition, the Compliance department continued to strengthen the asset freezing system, with particular attention paid to the supervision of the Consolidated Surveillance Perimeter in the context of the applicability of asset freezing standards.

For more information and details on the risk management of the Issuer, please also refer to 2022 URD.

## **6. INTERNAL CONTROL SYSTEM FOR ACCOUNTING AND FINANCIAL INFORMATION**

In keeping with the applicable rules within the Crédit Agricole Group, the organisational principles and responsibilities of the Crédit Agricole Group Finance department functions are set out in an operational note.

The Finance function is organised as a business line within Crédit Agricole S.A. The Crédit Agricole S.A. Finance function defines the financial strategy, in conjunction with other departments within Crédit Agricole S.A. where necessary, and determines and/or validates the standards and methods applicable in the Group in terms of accounting and regulatory information, taxation, solvency and the management of liquidity, interest rate and foreign exchange risks. It also ensures that these standards and methods are disseminated to and implemented by all the Group's entities.

Within the subsidiaries, the Chief Financial Officers report hierarchically to the head of the business line or subsidiary and functionally to the Director of the Group Finance department.

The Finance department of each subsidiary is responsible for implementing the Group's standards and principles in these areas, in line with each business line's specific attributes. In some cases, it also constitutes an intermediate level for consolidation of the business line's accounting and business management data.

Each Risk Management and Permanent Controls department in a subsidiary within the Group is also responsible for producing the risk data used to prepare financial information and for implementing controls to ensure that this information is accurately reconciled to accounting data.

Each entity is equipped with the means to ensure the quality of the accounting, management and risk data transmitted to the Group in line with consolidation requirements, in particular with regard to the following aspects: compliance with the standards applicable to the Group, consistency with the parent company financial statements approved by its supervisory body, reconciliation of accounting and management data.

### ***Organisation of Group Finance***

Within Finance, the Accounting and Regulatory Information and Financial Communication departments and the Management Control department mainly contribute to the preparation of published accounting and financial information

#### ***Accounting and Regulatory Information***

The main purpose of the Accounting and Regulatory Information department is to produce the Group's parent company and consolidated financial statements and regulatory reporting, including segment information for Crédit Agricole S.A. based on the definition of the business lines for financial reporting purposes and in compliance with IFRS 8. To fulfil this purpose, the department, in accordance with applicable regulations, defines and circulates the accounting standards and principles that apply to the Crédit Agricole Group. It oversees the accounting framework, lays down the rules governing the architecture of the accounting information and regulatory reporting system, and manages the accounting processes for consolidation of the financial statements and regulatory reporting.

#### ***Management Control***

The Group Management Control function, within the Financial Steering department, defines the rules for allocating economic equity (definition, allocation policy), consolidates, prepares and quantifies the budget and the Medium Term Plan for Crédit Agricole S.A., and monitors the budget. To meet this objective, Group Management Control defines the management control procedures and methods and the structure and management regulations for the Group management control system.

#### ***Financial Communication***

Crédit Agricole S.A.'s Financial Communication department ensures message consistency across all investor categories. It is responsible for information published in press releases and presentations to shareholders, financial analysts, institutional investors and rating agencies, as well as information contained in documents subject to approval by the French financial market

authority (AMF). In this respect, working under the responsibility of the Chief Executive Officer and Deputy Chief Executive Officer in charge of the Steering and Control division, the Financial Communication department provides the materials used as the basis for presentations of Crédit Agricole S.A.'s results, financial structure and changes in business lines, as needed to enable third parties to formulate an opinion, particularly on the Crédit Agricole Group's financial strength, profitability and outlook.

### ***Procedures for the preparation and processing of accounting and financial information***

Each Group entity has responsibility, vis-à-vis the Group and the regulatory authorities to which it reports, for its parent company financial statements, which are approved by its supervisory body. Depending on the entity's size, these financial statements are subject to prior review by the entity's Audit Committee, if it has one.

As for the Crédit Agricole Regional Banks, once their financial statements are drawn up, they are approved by the Accounting and Regulatory Information department of Crédit Agricole S.A.; this is one of its responsibilities as corporate centre. Crédit Agricole S.A. Group's consolidated financial statements are submitted to the Audit Committee and approved by the Board of Directors of Crédit Agricole S.A.

Most published financial information is based on accounting data and on management and risk data.

### ***Description of the control system***

The purpose of the control system is to ensure that coverage of risks likely to affect the quality of accounting information and regulatory reporting is satisfactory and effective.

This function is carried out in two departments in a complementary manner: the Accounting and Regulatory Information department within the Group Finance department (Level 2.1 controllers) and the Group Financial Risk department within the Group Risk department (Level 2.2 controllers).

The Guide to Accounting Control and Regulatory Reporting is the reference document for all of Crédit Agricole Group's Level 2.1 and 2.2 controllers.

#### ***System within the Accounting and Regulatory Information department***

With no hierarchical link to Management's production departments, the controllers exercise control over the operational activities carried out on Crédit Agricole S.A.'s corporate data and Crédit Agricole Group's consolidated data, as well as over the production of regulatory reports. They participate in the definition of methodologies relating to the control applicable within the Group in terms of accounting and regulatory information and offer support to the Level 2.1 controllers of the Regional Banks and subsidiaries.

#### ***System within the Group Risk department***

Reporting hierarchically to the Group Financial Risk department, within the Group Risk department, the permanent control services ensure:

- the permanent control of the Operational departments of the Finance department, excluding

the Financial steering department of the Cr dit Agricole S.A. corporate entity;

- oversight of the Financial Steering department (*Direction du pilotage financier* – DPF), including Management Control;
- the management, oversight and supervision of the permanent control systems related to the accounting and regulatory reporting of all Cr dit Agricole Group entities, in close collaboration with the network of Level 2.2 controllers of the Regional Banks and subsidiaries;
- the governance coordination of the permanent control for the Cr dit Agricole S.A. departments under its responsibility;
- the definition of the accounting and financial information control methodologies, within the Cr dit Agricole Group;
- the issuing of opinions on accounting risk in connection with the risk frameworks presented by the entities, based on in-depth analyses of the permanent control systems monitored.

### ***Relations with the Statutory Auditors***

The universal registration document, its updates, the securities notes and the prospectuses prepared for new debt or share issues, which contain comprehensive financial information, are subject to approval by or registration with the AMF.

In accordance with applicable professional standards, the Statutory Auditors perform those procedures they deem appropriate on published accounting and financial information:

- audit of the parent company and consolidated financial statements;
- review of interim consolidated financial statements;
- read through of quarterly financial information and materials used as a basis for presenting financial information to financial analysts.

As part of the duties assigned to them by law, the Statutory Auditors submit to Cr dit Agricole S.A.'s Audit Committee their overall work programme, the various spot checks they have carried out, the conclusions of their work on the accounting and financial information they have reviewed in carrying out their assignment, as well as any significant weaknesses of the internal controls cited, with regards to the procedures used for the preparation and processing of accounting and financial information.

## SECTION 8: SELECTED FINANCIAL INFORMATION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 1. SELECTED FINANCIAL INFORMATION OF CRÉDIT AGRICOLE GROUP

Pursuant to EC Regulation no. 1606/2002, the audited consolidated financial statements of Crédit Agricole Group for the years ended 31 December 2020, 2021 and 2022 have been prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2020, 2021 and 2022, respectively, and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

For more detailed financial information in respect of Crédit Agricole Group, please refer to the consolidated financial statements for the years ended 31 December 2020, 2021 and 2022 presented in the A01 of the 2020 URD, A01 of the 2021 URD and A01 of the 2022 URD of the Issuer, respectively, which is available at the website of the Issuer.

#### (1) Income Statement

<i>(in millions of euros)</i>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
Interest and similar income	31,500	31,634	37,648
Interest and similar expenses	(12,710)	(11,851)	(16,739)
Fee and commission income	13,376	15,371	15,906
Fee and commission expenses	(3,933)	(4,621)	(4,961)
Net gains (losses) on financial instruments at fair value through profit or loss	2,452	14,839	(10,208)
Net gains (losses) on held for trading assets/liabilities	2,526	2,182	(4,258)
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	(74)	12,657	(5,950)
Net gains (losses) on financial instruments at fair value through other comprehensive income	691	61	(226)
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss	585	(29)	(328)
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	106	90	102
Net gains (losses) arising from the derecognition of financial assets at amortised cost	33	45	(42)
Income on other activities	37,367	41,325	50,834
Expenses on other activities	(35,372)	(49,813)	(34,576)



Reclassification of net gains (losses) of designated financial assets applying the overlay approach	192	(168)	526
<b>Revenues</b>	<b>33,596</b>	<b>36,822</b>	<b>38,162</b>
Operating expenses	(19,921)	(21,169)	(22,564)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(1,907)	(1,912)	(1,889)
<b>Gross operating income</b>	<b>11,768</b>	<b>13,741</b>	<b>13,709</b>
Cost of risk	(3,651)	(2,193)	(2,893)
<b>Operating income</b>	<b>8,117</b>	<b>11,548</b>	<b>10,816</b>
Share of net income of equity-accounted entities	419	392	420
Net gains (losses) on other assets	52	(27)	28
Change in value of goodwill	(968)	497	—
<b>Pre-tax income</b>	<b>7,620</b>	<b>12,410</b>	<b>11,264</b>
Income tax	(2,165)	(2,463)	(2,508)
Net income from discontinued operations	(262)	6	117
<b>Net income</b>	<b>5,193</b>	<b>9,953</b>	<b>8,873</b>
Non-controlling interests	504	852	729
<b>NET INCOME GROUP SHARE</b>	<b>4,689</b>	<b>9,101</b>	<b>8,144</b>

## (2) Balance Sheet

<i>(in millions of euros)</i>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Asset</b>			
Cash, central banks	197,792	241,191	210,804
Financial assets at fair value through profit or loss	438,534	433,134	431,717
Held for trading financial assets	258,187	233,031	242,005
Other financial instruments at fair value through profit or loss	180,347	200,103	189,712
Hedging derivative instruments	22,965	16,023	50,494
Financial assets at fair value through other comprehensive income	277,909	268,700	217,125
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	274,260	264,572	212,341
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	3,649	4,128	4,784
Financial assets at amortised cost	1,165,650	1,258,283	1,344,545
Loans and receivables due from credit institutions	89,954	96,703	114,279
Loans and receivables due from customers	965,490	1,051,592	1,114,389
Debt securities	110,206	109,988	115,877
Revaluation adjustment on interest rate hedged portfolios	13,524	5,231	(9,098)
Current and deferred tax assets	6,619	8,113	10,052
Accruals, prepayments and sundry assets	45,613	43,081	58,448

Non-current assets held for sale and discontinued operations	5,017	2,965	134
Deferred participation benefits	—	(3)	17,043
Investments in equity-accounted entities	7,423	8,046	8,427
Investment property	7,362	8,292	9,000
Property, plant and equipment	10,539	10,909	10,770
Intangible assets	3,431	3,483	3,470
Goodwill	15,134	16,109	16,189
<b>TOTAL ASSETS</b>	<b>2,217,512</b>	<b>2,323,557</b>	<b>2,379,120</b>
<b>Liabilities &amp; equity</b>			
Central banks	864	1,276	59
Financial liabilities at fair value through profit or loss	263,160	243,555	272,192
Held for trading financial liabilities	227,318	205,075	231,702
Financial liabilities designated at fair value through profit or loss	35,842	38,480	40,490
Hedging derivative instruments	23,725	16,827	47,316
Financial liabilities at amortised cost	1,334,171	1,447,463	1,467,676
Due to credit institutions	198,942	221,192	152,201
Due to customers	963,433	1,044,566	1,095,758
Debt securities	171,796	181,705	219,717
Revaluation adjustment on interest rate hedged portfolios	11,541	5,841	6,987
Current and deferred tax liabilities	3,507	3,013	2,649
Accruals, deferred income and sundry liabilities	54,204	58,637	64,907
Liabilities associated with non-current assets held for sale and discontinued operations	3,552	2,566	205
Insurance company technical reserves	365,556	377,687	354,538
Provisions	6,862	7,104	5,645
Subordinated debt	23,896	25,873	23,155
<b>Total liabilities</b>	<b>2,091,038</b>	<b>2,189,842</b>	<b>2,245,329</b>
<b>Equity</b>	<b>126,474</b>	<b>133,715</b>	<b>133,791</b>
Equity - Group share	119,565	126,498	126,470
Non-controlling interests	6,909	7,217	7,321
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,217,512</b>	<b>2,323,557</b>	<b>2,379,120</b>

### (3) Cash Flow Statement (Summary)

<i>(in millions of euros)</i>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
Total net cash flows from (used by) operating activities	76,804	42,661	(24,614)
Total net cash flows from (used by) investment activities	(3,830)	(906)	(6,068)
Total net cash flows from (used by) financing activities	8,925	(818)	4,297
Impact of exchange rate changes on cash and cash equivalent	(1,307)	(171)	(1,317)

<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>80,592</b>	<b>40,766</b>	<b>(27,702)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>114,350</b>	<b>194,942</b>	<b>235,708</b>
Net cash accounts and accounts with central banks <sup>(1)</sup>	95,003	196,680	240,131
Net demand loans and deposits with credit institutions <sup>(2)</sup>	19,347	(1,738)	(4,423)
<b>Cash and cash equivalents at end of period</b>	<b>194,942</b>	<b>235,708</b>	<b>208,006</b>
Net cash accounts and accounts with central banks <sup>(1)</sup>	196,680	240,131	210,733
Net demand loans and deposits with credit institutions <sup>(2)</sup>	(1,738)	(4,423)	(2,727)
<b>Net change in cash and cash equivalents</b>	<b>80,592</b>	<b>40,766</b>	<b>(27,702)</b>

**Notes:**

- (1) Consisting of the net balance of the “Cash, Central Banks” item, excluding accrued interest and including the cash of entities reclassified as discontinued operations.
- (2) For the financial information in 2020, 2021 and 2022, consisting of the balance of the “Non doubtful current accounts in debit” and “Non doubtful overnight accounts and advances” items as detailed in Note 6.5 to the Group’s 2020 Financial Statements, the Group’s 2021 Financial Statements and the Group’s 2022 Financial Statements, respectively, and the “Current accounts in credit” and “Overnight accounts and deposits” items as detailed in Note 6.8 to the Group’s 2020 Financial Statements and the Group’s 2021 Financial Statements and Note 6.7 to the Group’s 2022 Financial Statements respectively, excluding accrued interest.

## 2. SELECTED FINANCIAL INFORMATION OF THE ISSUER

Pursuant to EC Regulation no. 1606/2002, the audited consolidated financial statements of the Issuer for the years ended 31 December 2020, 2021 and 2022 have been prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2020, 2021 and 2022, respectively, and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

For more detailed financial information in respect of the Issuer, please refer to its consolidated financial statements for the years ended 31 December 2020, 2021 and 2022 as presented in its 2020 URD, 2021 URD and 2022 URD, respectively, available on the Issuer’s website. In particular, Specific items impacting stated audited P&L figures and underlying P&L figures excluding Specific items are identified and fully discussed in these documents.

### (1) Results of Operations

#### Income Statement

<i>(in millions of euros except otherwise indicated)</i>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
Interest and similar income	23,534	23,797	29,867
Interest and similar expenses	(11,716)	(11,676)	(17,003)
Fee and commission income	10,679	12,828	13,317
Fee and commission expenses	(6,458)	(7,345)	(7,842)
Net gains (losses) on financial instruments at fair value through profit or loss	2,256	14,279	(10,586)

Net gains (losses) on held for trading assets/liabilities	2,466	2,114	(4,391)
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	(210)	12,165	(6,195)
Net gains (losses) on financial instruments at fair value through other comprehensive income	586	—	(57)
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss	524	(57)	(105)
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	62	57	48
Net gains (losses) arising from the derecognition of financial assets at amortised cost	25	43	2
Income on other activities	36,337	40,183	49,618
Expenses on other activities	(34,935)	(49,284)	(34,041)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	192	(168)	526
<b>Revenues</b>	<b>20,500</b>	<b>22,657</b>	<b>23,801</b>
Operating expenses	(11,748)	(12,649)	(13,404)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,143)	(1,172)	(1,175)
<b>Gross operating income</b>	<b>7,609</b>	<b>8,836</b>	<b>9,222</b>
Cost of risk	(2,606)	(1,576)	(1,746)
<b>Operating income</b>	<b>5,003</b>	<b>7,260</b>	<b>7,476</b>
Share of net income of equity-accounted entities	413	374	371
Net gains (losses) on other assets	75	(51)	15
Change in value of goodwill	(903)	497	—
<b>Pre-tax income</b>	<b>4,588</b>	<b>8,080</b>	<b>7,862</b>
Income tax	(1,129)	(1,236)	(1,662)
Net income from discontinued operations	(221)	5	116
<b>Net income</b>	<b>3,238</b>	<b>6,849</b>	<b>6,316</b>
Non-controlling interests	546	1,005	879
<b>NET INCOME GROUP SHARE</b>	<b>2,692</b>	<b>5,844</b>	<b>5,437</b>
<b>Earnings per share (in euros)<sup>(1)</sup></b>	<b>0.804</b>	<b>1.836</b>	<b>1.681</b>
<b>Diluted earnings per share (in euros)<sup>(1)</sup></b>	<b>0.804</b>	<b>1.836</b>	<b>1.681</b>

(1) Corresponds to income excluding interest on deeply subordinated notes and including net income from discontinued or held-for-sale operations.

## Analysis and Comparison of Results of Operations for the Years ended 31 December 2020, 2021 and 2022

## **Revenues**

The Issuer's stated revenues amounted to €23,801 million for the year ended 31 December 2022, representing an increase of €1,144 million or 5.0% compared to €22,657 million for the year ended 31 December 2021. The underlying revenues rose by +4.8% year-on-year, with revenue growth in all divisions (increase of +6.5% for the business lines, excluding Corporate Centre), despite unfavourable market effects impacting asset activities, more specifically the Asset Gathering division. Excluding Corporate Centre, and excluding scope effect, business line revenues were also up by +4.6% in 2022. This increase in revenues was due to strong business momentum across all business lines. As regards to the Asset Gathering division, the increase in insurance revenues was due to the increased recognition of the financial margin and the reversal of technical reserves. At the same time, private banking benefited from higher interest rates and a diversified product mix. By contrast, asset management revenues were adversely impacted by market effects, which penalised management and performance fees, even though revenues recovered in the fourth quarter to show an increase of +4.4% compared to third quarter 2022. In Corporate and Investment Banking, revenues benefited from the boost in the division's commercial positions, particularly in syndicated loans and bond issues. Asset servicing revenues were sustained by the net interest margin which offset market effects on loans. In the Specialised Financial Services division, consumer finance revenues were sustained by brisk business production which offset the contraction in margins, while leasing and factoring revenues were driven by the high level of factored revenues. In Retail Banking, revenues in France benefited from strong momentum in fee and commission income. The net interest margin held steady, as gradual asset repricing offset higher refinancing costs. In International Retail Banking in Italy, revenues were supported by the increase in interest rates and higher fee and commission income. In IRB outside Italy, revenues were driven by the net interest margin as interest rates rose, particularly in Poland and Egypt. In the Corporate Centre division, revenues decreased due to the effect of inflation on ALM, to the elimination of intra-group securities purchased by Predica and Amundi, and to the end of the special interest period on TLTRO.

The Issuer's stated revenues amounted to €22,657 million for the year ended 31 December 2021, representing an increase of €2,157 million or 10.5% compared to €20,500 million for the year ended 31 December 2020. The underlying revenues were up +9.1% compared to 2020. In addition to a scope effect of +€419 million mainly driven by the integration of Creval from second quarter 2021 in International Retail Banking, and to the reintegration of CACF NL following its exit from IFRS 5 status<sup>68</sup> in third quarter 2021, underlying revenues grew by +7.1% at constant scope. The increase in revenues was mainly due to the dynamism of the business lines. For the Asset Gathering division, dynamic management fee and commission income benefited from both a favourable market effect and a dynamic inflow of funds, and the change in insurance revenues reflected prudent management of the financial margin and prudent provisioning of technical risks. In the Large Customers division, revenues grew strongly in structured finance and commercial banking, while revenues in capital markets normalised against a backdrop of weak customer demand. Fees and commissions were up in Asset

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<sup>68</sup> Since the third quarter of 2020, CACF NL has been classified under IFRS 5, as the entity was subject to a disposal project. As this disposal project has been suspended, CACF NL is no longer classified under IFRS 5 as of the third quarter of 2021.

Servicing, thanks to dynamic activity. In the Specialised Financial Services division, consumer finance revenues were supported by dynamic commercial production and insurance equipment, and the level of activity in leasing and factoring was sustained. In Retail Banking, revenues grew by +4.5% at LCL, balanced between interest margins and fee and commission income, and fee and commission income increased at CA Italia. In the Corporate Centre division, revenues were up thanks to lower refinancing costs and volatility factors (such as the impact of inflation on the valuation of hedging swaps and, in particular in the second and third quarters of 2021, eliminations on intra-group securities underwritten by Predica and Amundi).

### ***Operating Expenses***

The Issuer's stated operating expenses (including depreciation, amortization and impairment of property, plant and equipment, and intangible assets) excluding the contribution to the Single Resolution Fund (or SRF) amounted to €13,932 million in 2022, representing an increase of €503 million or 3.7% (+5.7% on an underlying basis) compared to €13,429 million in 2021. Underlying operating expenses excluding SRF were up +5.7% compared to 2021. Excluding scope effect<sup>69</sup>, the business lines' operating expenses (i.e. excluding Corporate Centre) were up +3.0% (or +€377 million). This increase, which enabled to support the business lines' development, was related to a foreign exchange impact of +€110 million; to an increase in IT costs and investment of around +€190 million; and to an increase in payroll of around +€130 million, which included most notably a +€28 million value sharing bonus. At constant scope, jaws were positive in 2022 by +1.6 percentage points, the increase in the business lines' revenues having exceeded the increase in expenses. Corporate Centre expenses were up +€76 million, reflecting the volatility of intra-group transactions with the Regional Banks in first quarter 2022.

The Issuer's stated operating expenses (including depreciation, amortization and impairment of property, plant and equipment, and intangible assets) excluding the contribution to the Single Resolution Fund (or SRF) amounted to €13,429 million in 2021, representing an increase of €977 million or 7.8% (+5.8% on an underlying basis) compared to €12,452 million in 2020. The underlying operating expenses excluding SRF were up by 5.8% in 2021, also including a scope effect (+€281 million<sup>70</sup>). A constant scope, expenses increased by 3.5% in 2021, related to a rise in expenses across all business lines: Asset gathering (+5.9%), Large customers (+4.1%), Specialised financial services (5.8%) and Retail banking (+1.4%). At a current scope and on a like-for-like basis, revenue growth in 2021 was higher than cost growth, generating a positive jaws effect of 3.6 points and 3.3 points respectively. The underlying cost/income ratio excluding SRF for 2021 was 57.8%, down -1.8 percentage points compared to 2020. The underlying SRF for 2021 totalled €522 million, up 18.9% compared to 2020. Note that the refund of an overpayment for the SRF over financial years 2016–2021 of €130 million was accounted for under specific items in the first quarter of 2021. Underlying gross operating

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<sup>69</sup> Creval (in International Retail Banking) and Lyxor (in Asset Gathering) added in 2021.

<sup>70</sup> Scope effect related to the following entities in 2021: Creval, CACF NL, CA Serbia, La Médicale, and, for Amundi, Sabadell AM, Amundi BOC, Fund Channel, Anatec; and to the following entities in 2020: CA Serbia, La Médicale, CACEIS Fund Services (consolidation).

income totalled €9,047 million, up +13.7% compared to 2020.

### ***Gross Operating Income***

The Issuer's stated gross operating income rose by 4.4% to €9,222 million in 2022 from €8,836 million in 2021. On an underlying basis, excluding specific items, it rose by 2.4% to €9,264 million in 2022 from €9,047 million in 2021. Based on stated figures, the Issuer's cost to income ratio excluding the SRF came to 58.5% in 2022 (58.2% on an underlying basis).

The Issuer's stated gross operating income rose by 16.1% to €8,836 million in 2021 from €7,609 million in 2020. On an underlying basis, excluding specific items, it rose by 13.7% to €9,047 million in 2021 from €7,959 million in 2020. Based on stated figures, the Issuer's cost to income ratio excluding the SRF came to 59.3% in 2021 (57.8% on an underlying basis).

### ***Cost of Risk***

The Issuer's underlying cost of risk was up (+25.9%) to €1,551 million versus €1,232 million in 2021. The increase in 2022 was due to the €113 million increase in provisioning for performing loans (€155 million in 2021 vs. €268 million in 2022), largely related to provisioning following the outbreak of the Ukraine/Russia war in first quarter 2022<sup>71</sup> (provisioning of €419 million for performing loans in 2022, plus €270 million for defaults in 2022). It also included the €374 million increase in provisioning for proven risk, which returned to normal after a year of very low proven risk costs. That provisioning rose from €993 million in 2021 to €1,367 million in 2022 (quarterly average for 2022 comparable to that of 2019). Proven risk in 2022 included an impact of war in Ukraine since first quarter and impact of a specific file in the fourth quarter. The increase was offset by reversals against other risks totalling €168 million and corresponding to reversals of provisions in 2022 for legal risks in corporate and investment banking vs. depreciations in 2021 especially in Italy.

The Issuer's cost of risk was down sharply (-53%) to €1,232 million versus €2,606 million in 2020. The decrease was especially pronounced at the level of the provisions for performing loans (Stages 1 and 2) at -81%, and was due to a normalisation of the cost of risk throughout 2021 due to the decrease in uncertainties and the favourable evolution of the health situation, as shown by the improvement in the macro-economic scenario in Q4 2021. The addition of -€1,232 million in cost of risk over the year 2021 breaks down into provisions for performing loans (Stages 1 and 2) for -€155 million (compared to -€817 million in 2020) and provisioning for proven risks (Stage 3) for -€993 million (compared to -€1,765 million in 2020). Cost of risk/outstandings reached 28 basis points in 2021. The cost of risk is declining in all of Crédit Agricole S.A.'s business lines. LCL's cost of risk was -€222 million in 2021, down -43% compared to 2020, with a cost of risk on outstandings of 15 basis points in 2021; CA Italia's cost of risk was -€347 million in 2021, down -19% compared to 2020, with a cost of risk on outstandings of 63 basis points in 2021; CACF's cost of risk is -€445 million in 2021, down -

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<sup>71</sup> The €113 million increase in provisioning on performing loans does not include the €195 million provisioned in the first quarter of 2022 against the value of Crédit Agricole S.A.'s shares in Crédit Agricole Ukraine. That provision has been restated in underlying income.

30% compared to 2020, with a cost of risk on outstandings of 128 basis points at the end of December 2021; finally, in Financing activities, the cost of risk for 2021 is -€74 million, down -91% compared to 2020, with a cost of risk on outstandings of 6 basis points in 2021.

### ***Net Income Group Share***

In 2022, the Issuer's stated net income Group share amounted to €5,437 million, compared to €5,844 million in 2021, i.e. a decrease of -7.0% in stated net income Group share. On an underlying basis, excluding all specific items, the Issuer's net income Group share amounted to €5,468 million in 2022, compared with €5,397 million in 2021, representing an increase of €71 million or 1.3%.

In 2022, specific items had a negative impact of -€32 million on stated net income Group share. In addition to the fourth quarter items already mentioned above, items for the first nine months of 2022 had a negative impact of -€57 million on stated net income Group share and included recurring volatile accounting items, i.e. the DVA, FVA and secured lending for +€4 million, and coverage of Large Customers loan books for +€43 million. In addition the following non recurrent specific elements were recorded the provision for equity risk in Ukraine for - €195 million, the gain on the disposal of La Médicale for +€101 million, changes in the provision for home purchase savings plans for +€63 million, Lyxor and Creval integration costs for -€46 million, the exceptional provision on moratoria in Poland for -€17 million, or the reclassification of Crédit du Maroc to assets held for sale for -€10 million.

In 2021, the Issuer's stated net income Group share amounted to €5,844 million, compared to €2,692 million in 2020, i.e. a rise by a factor of 2.2 in stated net income Group share. On an underlying basis, excluding all specific items, the Issuer's net income Group share amounted to €5,397 million in 2021, compared with €3,849 million in 2020, representing an increase of €1,548 million or 40.2%.

In 2021, specific elements had a positive impact of +€447 million on stated net income Group share. These include items recognised in CA Italia's results for Creval: the recording of net goodwill for €376 million in net income Group share<sup>72</sup>, recording of off-balance sheet deferred tax assets for €80 million in net income Group share, technology infrastructure upgrade and IT migration costs for Creval amounting to -€15 million in net income Group share, a Stage 1 provision for the cost of risk amounting to -€19 million in net income Group share for Creval, and other miscellaneous Creval adjustments for -€11 million in net income Group share, acquisition costs for -€8 million in net income Group share. In addition to these items, there were actions to improve the quality of CA Italia's assets, including the impact of the disposal of a gross portfolio of €1.5 billion and additional provisions on CA Italia's portfolio for -€161 million in net income Group share, the launch of a Next Generation HR plan for CA Italia and the associated job protection plan for -€97 million in net income Group share, the exceptional contribution by CA Italia to the Italian banks safeguard plan for -€13 million in net income Group share, and the Affrancamento gains related to exceptional tax provisions in Italy for the

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<sup>72</sup> Over 2021, total net goodwill related to the Creval acquisition of €497 million, i.e. €378 million in Q2 2021 and €119 million in Q4 2021.



non-accounting revaluation of goodwill and its amortisation for €73 million in net income Group share for CA Italia. Also recognised as specific items are the Affrancamento gains in specialised financial services for +€66 million in net income Group share, the Affrancamento gains in the Asset Gathering business lines for +€78 million, the Lyxor acquisition costs for -€8 million in net income Group share in asset management, the transformation costs related to the Turbo project, the CACEIS transformation and development plan, for -€23 million in net income Group share in institutional financial services, transformation costs related to the LCL New Generation Network project, a new grouping of LCL branches, for -€9 million, the downgrading of Serbia in held-for-sale operations for -€1 million, the costs of the integration of Kas Bank and S3 by CACEIS for -€2 million and finally the disposal projects in Miami and Brazil within the Wealth Management business line for +€5 million. In addition, there were recurring accounting volatility items, i.e. the DVA for +€4 million, hedges of the Large Customers loan book for -€12 million, changes in provisions for home purchase savings plans for +€15 million, and the overpayment of contributions to the SRF for financial years 2016 to 2020 for +€130 million.

## Operation Results for Business Lines

### *Asset gathering*

<b>(in millions of euros)</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Revenues</b>	<b>5,735</b>	<b>6,527</b>	<b>6,884</b>
Operating expenses	(2,870)	(3,012)	(3,329)
<b>Gross operating income</b>	<b>2,865</b>	<b>3,515</b>	<b>3,555</b>
Cost of risk	(56)	(18)	(17)
<b>Operating income</b>	<b>2,809</b>	<b>3,497</b>	<b>3,538</b>
Share of net income of equity-accounted entities	66	84	88
Net gains (losses) on other assets	3	—	(2)
Change in value of goodwill	—	—	—
<b>Pre-tax income</b>	<b>2,878</b>	<b>3,581</b>	<b>3,624</b>
Income tax	(770)	(642)	(825)
Net income from discontinued operations	(24)	4	123
<b>Net income</b>	<b>2,084</b>	<b>2,943</b>	<b>2,922</b>
Non-controlling interests	(378)	523	436
<b>NET INCOME GROUP SHARE</b>	<b>1,706</b>	<b>2,420</b>	<b>2,486</b>

### *French retail banking – LCL*

<b>(in millions of euros)</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Revenues</b>	<b>3,521</b>	<b>3,696</b>	<b>3,851</b>
Operating expenses	(2,319)	(2,371)	(2,389)
<b>Gross operating income</b>	<b>1,202</b>	<b>1,325</b>	<b>1,462</b>
Cost of risk	(390)	(222)	(237)
<b>Operating income</b>	<b>812</b>	<b>1,103</b>	<b>1,225</b>

Share of net income of equity-accounted entities	—	—	—
Net gains (losses) on other assets	2	6	16
Change in value of goodwill	—	—	—
<b>Pre-tax income</b>	<b>814</b>	<b>1,109</b>	<b>1,241</b>
Income tax	(252)	(309)	(300)
Net income from discontinued operations	—	—	—
<b>Net income</b>	<b>562</b>	<b>800</b>	<b>941</b>
Non-controlling interests	25	36	42
<b>NET INCOME GROUP SHARE</b>	<b>537</b>	<b>764</b>	<b>899</b>

*International retail banking - IRB*

<b>(in millions of euros)</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Revenues</b>	<b>2,659</b>	<b>3,113</b>	<b>3,299</b>
Operating expenses	(1,753)	(2,275)	(2,105)
<b>Gross operating income</b>	<b>906</b>	<b>838</b>	<b>1,194</b>
Cost of risk	(570)	(780)	(699)
<b>Operating income</b>	<b>336</b>	<b>58</b>	<b>495</b>
Share of net income of equity-accounted entities	—	3	2
Net gains (losses) on other assets	72	(13)	7
Change in value of goodwill	—	497 <sup>(1)</sup>	—
<b>Pre-tax income</b>	<b>408</b>	<b>545</b>	<b>504</b>
Income tax	(101)	199	(66)
Net income from discontinued operations	(8)	1	(7)
<b>Net income</b>	<b>299</b>	<b>745</b>	<b>431</b>
Non-controlling interests	92	187	158
<b>NET INCOME GROUP SHARE</b>	<b>207</b>	<b>558</b>	<b>273</b>

(1) Negative goodwill of €497 million following the acquisition of Credito Valtellinese by CA Italia.

*Specialised financial services – SFS*

<b>(in millions of euros)</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Revenues</b>	<b>2,526</b>	<b>2,697</b>	<b>2,782</b>
Operating expenses	(1,288)	(1,407)	(1,477)
<b>Gross operating income</b>	<b>1,238</b>	<b>1,290</b>	<b>1,305</b>
Cost of risk	(732)	(505)	(533)
<b>Operating income</b>	<b>506</b>	<b>785</b>	<b>772</b>
Share of net income of equity-accounted entities	344	308	309
Net gains (losses) on other assets	(3)	(8)	2
Change in value of goodwill	—	—	—

<b>Pre-tax income</b>	<b>847</b>	<b>1,085</b>	<b>1,083</b>
Income tax	(69)	(120)	(222)
Net income from discontinued operations	(134)	—	—
<b>Net income</b>	<b>644</b>	<b>965</b>	<b>861</b>
Non-controlling interests	85	157	110
<b>NET INCOME GROUP SHARE</b>	<b>559</b>	<b>808</b>	<b>751</b>

*Large customers – LC*

<b>(in millions of euros)</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Revenues</b>	<b>6,297</b>	<b>6,318</b>	<b>7,013</b>
Operating expenses	(3,783)	(4,035)	(4,347)
<b>Gross operating income</b>	<b>2,514</b>	<b>2,283</b>	<b>2,666</b>
Cost of risk	(829)	(39)	(251)
<b>Operating income</b>	<b>1,685</b>	<b>2,244</b>	<b>2,415</b>
Share of net income of equity-accounted entities	7	8	15
Net gains (losses) on other assets	1	(39)	(8)
Change in value of goodwill	—	—	—
<b>Pre-tax income</b>	<b>1,693</b>	<b>2,213</b>	<b>2,422</b>
Income tax	(278)	(512)	(592)
Net income from discontinued operations	—	—	—
<b>Net income</b>	<b>1,415</b>	<b>1,701</b>	<b>1,830</b>
Non-controlling interests	85	90	120
<b>NET INCOME GROUP SHARE</b>	<b>1,330</b>	<b>1,611</b>	<b>1,710</b>

*Corporate centre*

<b>(in millions of euros)</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Revenues</b>	<b>(238)</b>	<b>306</b>	<b>(28)</b>
Operating expenses	(878)	(721)	(932)
<b>Gross operating income</b>	<b>(1,116)</b>	<b>(415)</b>	<b>(960)</b>
Cost of risk	(29)	(12)	(9)
<b>Operating income</b>	<b>(1,145)</b>	<b>(427)</b>	<b>(969)</b>
Share of net income of equity-accounted entities	(4)	(29)	(43)
Net gains (losses) on other assets	—	3	—
Change in value of goodwill	(903)	—	—
<b>Pre-tax income</b>	<b>(2,052)</b>	<b>(453)</b>	<b>(1,012)</b>
Income tax	341	148	343
Net income from discontinued operations	(55)	—	—
<b>Net income</b>	<b>(1,766)</b>	<b>(305)</b>	<b>(669)</b>
Non-controlling interests	(119)	12	13
<b>NET INCOME GROUP SHARE</b>	<b>(1,647)</b>	<b>(317)</b>	<b>(682)</b>

## (2) Balance Sheet

Assets (in millions of euros)	31/12/2020	31/12/2021	31/12/2022
Cash, central banks	194,269	237,757	207,648
Financial assets at fair value through profit or loss	432,462	429,394	432,088
Held for trading financial assets	261,968	237,341	249,248
Other financial instruments at fair value through profit or loss	170,494	192,053	182,840
Hedging derivative instruments	21,745	14,125	31,867
Financial assets at fair value through other comprehensive income	266,072	256,261	206,770
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	263,856	253,842	204,002
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	2,216	2,419	2,768
Financial assets at amortised cost	953,900	1,045,326	1,144,605
Loans and receivables due from credit institutions	463,169	501,347	567,642
Loans and receivables due from customers	405,937	459,905	489,757
Debt securities	84,794	84,074	87,206
Revaluation adjustment on interest rate hedged portfolios	7,463	3,194	7,410
Current and deferred tax assets	4,304	5,864	7,290
Accruals, prepayments and sundry assets	40,307	38,447	71,598
Non-current assets held for sale and discontinued operations	2,734	2,965	134
Deferred participation benefits	—	7	16,767
Investments in equity-accounted entities	7,650	8,317	8,723
Investment property	6,522	7,307	7,812
Property, plant and equipment	5,779	6,096	6,023
Intangible assets	3,196	3,263	3,204
Goodwill	14,659	15,632	15,682
<b>TOTAL ASSETS</b>	<b>1,961,062</b>	<b>2,073,955</b>	<b>2,167,621</b>
<b>Liabilities</b>			
Central banks	864	1,276	59
Financial liabilities at fair value through profit or loss	265,173	246,388	279,373
Held for trading financial liabilities	229,265	207,725	238,708
Financial liabilities designated at fair value through profit or loss	35,908	38,663	40,665
Hedging derivative instruments	15,218	12,358	45,636
Financial liabilities at amortised cost	1,146,854	1,267,353	1,324,682
Due to credit institutions	264,919	314,783	284,167
Due to customers	719,388	781,177	827,977
Debt securities	162,547	171,393	212,538
Revaluation adjustment on interest rate hedged portfolios	10,380	5,105	7,811

Current and deferred tax liabilities	3,334	2,932	2,409
Accruals, deferred income and sundry liabilities	52,941	53,322	55,293
Liabilities associated with non-current assets held for sale and discontinued operations	1,430	2,566	205
Insurance company technical reserves	363,124	375,091	351,780
Provisions	4,197	4,547	3,523
Subordinated debt	24,052	26,101	23,370
<b>Total liabilities</b>	<b>1,887,567</b>	<b>1,997,039</b>	<b>2,094,141</b>
Equity			
<b>Equity</b>	<b>73,495</b>	<b>76,916</b>	<b>73,480</b>
<b>Equity - group share</b>	<b>65,217</b>	<b>68,217</b>	<b>64,633</b>
Share capital and reserves	28,323	28,495	29,603
Consolidated reserves	32,037	32,227	34,527
Other comprehensive income	2,175	1,677	(4,937)
Other comprehensive income on discontinued operations	(10)	(26)	3
Net income/(loss) for the year	2,692	5,844	5,437
<b>Non-controlling interests</b>	<b>8,278</b>	<b>8,699</b>	<b>8,847</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,961,062</b>	<b>2,073,955</b>	<b>2,167,621</b>

## Analysis and Comparison of Financial Position as at 31 December 2020, 2021 and 2022

### *Size of the consolidated balance sheet*

At 31 December 2022, the consolidated balance sheet of the Issuer amounted to €2,168 billion, up +€94 billion, i.e. +4.5% compared to the 2021 balance sheet. This increase mainly stemmed from:

- the increase in financial assets at amortised cost totalling €99.3 billion;
- the increase in hedging derivatives for €17.7 billion;
- offset by a decrease in the cash and central banks item of -€30.1 billion.

At 31 December 2021, the consolidated balance sheet of the Issuer amounted to €2,074 billion, up €112.9 billion (+5.8%) compared with the 2020 balance sheet. The rise mainly stemmed from:

- the rise in financial assets at amortised cost totalling €91.4 billion;
- the rise in cash and Central banks for €43.5 billion.

### *Assets*

#### *Loans and receivables due from customers and credit institutions*

At 31 December 2022, loans and receivables due from customers and credit institutions totalled €1,057.4 billion at end-December 2022, an increase of +10.0% compared to 2021, i.e. +€96.1 billion.

At 31 December 2021, loans and receivables due from customers and credit institutions totalled €961.3 billion, an increase of 10.6% or €92.2 billion compared with 2020.

#### *Loans and receivables due from customers*

At 31 December 2022, loans and receivables due from customers (including lease financing operations) totalled €489.8 billion at 31 December 2022, compared with €459.9 billion a year earlier, i.e. an increase of +6.5%. The increase was mainly attributable to growth in customer transactions at LCL for +€15 billion (including €9 billion in home loans) and at Crédit Agricole CIB for +€25 billion.

At 31 December 2021, loans and receivables due from customers (including lease financing operations) totalled €459.9 billion, compared with €405.9 billion a year earlier, an increase of +13.3%. The increase was attributable chiefly to growth in customer transactions at LCL in the amount of +€9 billion and Crédit Agricole CIB for +€35 billion

#### *Loans and receivables due from credit institutions*

At 31 December 2022, loans and receivables due from credit institutions also increased, to €567.6 billion (+13.2%) at 31 December 2022 compared with €501.3 billion at end-2021. The increase is mainly due to loans and receivables granted to the Regional Banks offset by a decrease in TLTRO 3 loans following repayments.

At 31 December 2021, loans and receivables due from credit institutions increased to €501.3 billion (+8.2%) compared with €463.2 billion at the end of 2020. The increase is mainly due to unsecured loans to finance the credit activity of the Regional Banks.

#### *Financial assets at fair value through profit or loss*

At 31 December 2022, financial assets at fair value through profit or loss amounted to €432.1 billion at 31 December 2022, up +0.6% year-on-year, i.e. +€2.7 billion.

At 31 December 2021, financial assets at fair value through profit or loss amounted to €429.4 billion, down -0.7% year-on-year, i.e. -€3.1 billion.

#### *Investments in equity-accounted entities*

At 31 December 2022, investments in equity-accounted entities totalled €8.7 billion, an increase of 4.9% as compared to amount at the end of 2021.

At 31 December 2021, investments in equity-accounted entities totalled €8.3 billion, an increase of +8.7% as compared to amount at the end of 2020.

#### *Hedging derivatives*

At 31 December 2022, hedging derivatives increased by +125.6% on the assets side, mainly due to changes in the rate curves, from 14.1 billion at 31 December 2021 to 31.9 billion.

At 31 December 2021, hedging derivatives recorded a decrease of 35% in assets from 21.7 billion at 31 December 2020 to 14.1 billion.

#### *Liabilities*

### *Amounts due to credit institutions and customers*

At 31 December 2022, amounts due to credit institutions and customers totalled €1,112 billion, up +1.5% or +€16.2 billion compared with 31 December 2021. This increase was driven by amounts due to customers, which rose +€46.8 billion (+6.0%) to €828.0 billion. This increase is explained in particular by the inflow of regulated savings within Crédit Agricole S.A. (+€4 billion) and customer transactions carried out by Crédit Agricole CIB for +€47 billion. Amounts due to credit institutions fell -€30.6 billion to €284.2 billion (-9.7%), as a result of the early TLTRO 3 repayments made during the year.

At 31 December 2021, amounts due to credit institutions and customers totalled €1,096 billion, up +11.3% or +€111.7 billion compared with 31 December 2020. Amounts due to credit institutions rose +€49.9 billion to €314.8 billion (+18.8%), as a result of the TLTRO III drawings during the year (+€13 billion) and loans granted to the Regional Banks for €27 billion. Amounts due to customers rose +€61.8 billion (8.6%) to €781.2 billion. This increase is explained in particular by the inflow of regulated savings within Crédit Agricole S.A. (+€17 billion), customer transactions carried out by Crédit Agricole CIB for +€25 billion and the increase at LCL in amounts due to customers for +€9 billion.

### *Financial liabilities at fair value through profit or loss*

At 31 December 2022, financial liabilities at fair value through profit or loss amounted to €279.4 billion at 31 December 2022, up +€33.0 billion year-on-year (13.4%).

At 31 December 2021, financial liabilities at fair value through profit or loss amounted to €246.4 billion, a decrease of €18.8 billion or 7.1% year-on-year.

### *Hedging derivatives*

At 31 December 2022, hedging derivatives increased by +269.3% on the liabilities side, mainly due to changes in the rate curves, from 12.4 billion at December 2021 to 45.6 billion.

At 31 December 2021, hedging derivatives recorded a decrease of 18.8% under liabilities from 15.2 billion at 31 December 2020 to 12.4 billion.

### *Insurance companies' technical reserves*

At 31 December 2022, Insurance companies' technical reserves decreased by -6.2% compared 31 December 2021, reaching €351.8 billion.

At 31 December 2021, Insurance companies' technical reserves increased by 3.3% compared with 31 December 2020, reaching €375.1 billion.

### *Debt securities*

Debt securities consist of interest bearing notes, interbank securities, negotiable debt instruments, bonds and other debt securities.

At 31 December 2022, debt securities amounted to €212,538 million, representing an increase of 24.0% from €171,393 million at 31 December 2021. Interest bearing notes was nil, same as at 31 December 2021. Interbank securities amounted to €5,906 million as compared to €7,862

million at 31 December 2021. Negotiable debt securities amounted to €104,558 million as compared to €61,260 million at 31 December 2021. Bonds amounted to €99,559 million as compared to €99,885 million at 31 December 2021. Other debt securities totalled €2,515 million as compared to €2,386 million at 31 December 2021.

At 31 December 2021, debt securities amounted to €171,393 million, representing an increase of 5.4% from €162,547 million at 31 December 2020. Interest bearing notes was nil, same as at 31 December 2020. Interbank securities amounted to €7,862 million as compared to €9,078 million at 31 December 2020. Negotiable debt securities amounted to €61,260 million as compared to €49,228 million at 31 December 2020. Bonds amounted to €99,885 million as compared to €101,380 million at 31 December 2020. Other debt securities totalled €2,386 million as compared to €2,861 million at 31 December 2020.

#### *Subordinated debt*

Subordinated debt consists of dated subordinated debt, undated subordinated debt, mutual security deposits and participating securities and loans.

At 31 December 2022, subordinated debt amounted to €23,370 million, representing a decrease of -10.5% from €26,101 million at 31 December 2021.

At 31 December 2021, subordinated debt amounted to €26,101 million, representing an increase of 8.5% from €24,052 million at 31 December 2020.

#### *Equity*

At 31 December 2022, equity amounted to €73.5 billion, representing a year-on-year decrease of -4.5%. Equity Group share also decreased (-5.3%) to €64.6 billion. At 31 December 2021, equity amounted to €77 billion, representing a year-on-year increase of 4.7%. Equity Group share increased (4.6%) to €68.2 billion.

### **(3) Cash Flows**

#### **Cash Flow Statement (Summary)**

<b>(in millions of euros)</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
Total net cash flows from (used by) operating activities	57,289	10,930	594
Total net cash flows from (used by) investment activities	(3,228)	(838)	(5,058)
Total net cash flows from (used by) financing activities	7,684	(1,701)	1,570
Impact of exchange rate changes on cash and cash equivalent	(1,308)	125	(1,274)
<b>Net increase/(decrease) in cash &amp; cash equivalent</b>	<b>60,437</b>	<b>8,516</b>	<b>(4,168)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>90,776</b>	<b>151,213</b>	<b>159,729</b>



Net cash accounts and accounts with central banks <sup>(1)</sup>	91,236	193,455	236,696
Net demand loans and deposits with credit institutions <sup>(2)</sup>	(460)	(42,242)	(76,967)
<b>Cash and cash equivalents at end of period</b>	<b>151,213</b>	<b>159,729</b>	<b>155,561</b>
Net cash accounts and accounts with central banks <sup>(1)</sup>	193,455	236,696	207,577
Net demand loans and deposits with credit institutions <sup>(2)</sup>	(42,242)	(76,967)	(52,016)
<b>Net change in cash and cash equivalents</b>	<b>60,437</b>	<b>8,516</b>	<b>(4,168)</b>

**Notes:**

- (1) Consisting of the net balance of the “Cash, Central Banks” item, excluding accrued interest and including the cash of entities reclassified as discontinued operations.
- (2) For the financial information in 2020, consisting of the balance of the “Non doubtful current accounts in debit” and “Non doubtful overnight accounts and advances” items as detailed in Note 6.3 to the Issuer’s 2020 Financial Statements and the “Current accounts in credit” and “Overnight accounts and deposits” items as detailed in Note 6.5 to the Issuer’s 2020 Financial Statements (excluding accrued interest and including Crédit Agricole internal transactions). For the financial information in 2021, consisting of the balance of the “Non doubtful current accounts in debit” and “Non doubtful overnight accounts and advances” items as detailed in Note 6.5 to the Issuer’s 2021 Financial Statements and the “Current accounts in credit” and “Overnight accounts and deposits” items as detailed in Note 6.8 to the Issuer’s 2021 Financial Statements (excluding accrued interest and including Crédit Agricole internal transactions). For the financial information in 2022, consisting of the balance of the “Non doubtful current accounts in debit” and “Non doubtful overnight accounts and advances” items as detailed in Note 6.5 to the Issuer’s 2022 Financial Statements and the “Current accounts in credit” and “Overnight accounts and deposits” items as detailed in Note 6.7 to the Issuer’s 2022 Financial Statements (excluding accrued interest and including Crédit Agricole internal transactions).

## Analysis of the main items of cash flow statement

The cash flow statement is presented using the indirect method.

### *Operating activities*

Operating activities are representative of income-generating activities of the Crédit Agricole S.A. Group. Tax inflows and outflows are included in full within operating activities.

For the year ended 31 December 2022, total net cash flows from operating activities recorded a net inflow of €594 million, as compared to the net inflow of €10,930 million for the year ended 31 December 2021. For the year ended 31 December 2021, total net cash flows from operating activities recorded a net inflow of €10,930 million, as compared to the net inflow of €57,289 million for the year ended 31 December 2020.

### *Investment 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 classified as at “Fair value through profit or loss” or “Fair value through other comprehensive income on items that cannot be reclassified”.

For the year ended 31 December 2022, total cash flows from investment activities amounted to a net outflow of €5,058 million, as compared to the net outflow of €838 million for the year ended 31 December 2021. For the year ended 31 December 2021, total cash flows from

investment activities amounted to a net outflow of €838 million, as compared to the net outflow of €3,228 million for the year ended 31 December 2020.

### *Financing activities*

Financing activities show the impact of cash inflows and outflows associated with operations of financial structure concerning equity and long-term borrowing.

For the year ended 31 December 2022, total cash flows from financing activities amounted to a net inflow of €1,570 million, as compared to the net outflow of €1,701 million in 2021. For the year ended 31 December 2021, total cash flows from financing activities amounted to a net outflow of €1,701 million, as compared to the net inflow of €7,684 million in 2020.

### *Net cash and cash equivalents*

Net cash and cash equivalents include cash, debit and credit balances with central banks and debit and credit demand balances with credit institutions.

At 31 December 2022, cash and cash equivalents amounted to €155,561 million, compared to €159,729 million at 31 December 2021 and €151,213 million at 31 December 2020.

## **3. RECENT FINANCIAL UPDATES OF THE GROUP AND THE ISSUER**

The financial figures presented for the three-month period ending 31 March 2023 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 “Interim Financial Reporting” and has not been audited.

### **(1) Consolidated Results for the Group for the three months ended 31 March 2023**

<i>(in millions of euros)</i>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Revenues</b>	<b>8,882</b>	<b>8,927</b>
Operating expenses excl.SRF	(5,082)	(5,284)
SRF	(794)	(626)
<b>Gross operating income</b>	<b>3,005</b>	<b>3,018</b>
Cost of risk	(888)	(548)
Equity-accounted entities	108	108
Net income on other assets	13	4
Change in value of goodwill	—	—
<b>Income before tax</b>	<b>2,238</b>	<b>2,581</b>
Tax	(703)	(711)
Net income from discount'd or held-for-sale ope.	1	2
<b>Net income</b>	<b>1,536</b>	<b>1,872</b>
Non-controlling interests	(186)	(204)
<b>Net income Group Share</b>	<b>1,350</b>	<b>1,669</b>
<b>Cost/Income ratio excl.SRF (%)</b>	<b>57.2%</b>	<b>59.2%</b>
<b>Net income Group Share excl. SRF</b>	<b>2,088</b>	<b>2,246</b>

### **(2) Results of Operation for the Issuer for the three months ended 31 March 2023**

## a. Results of Operation

### i. Consolidated Results

<i>(in millions of euros)</i>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Revenues</b>	<b>5,584</b>	<b>6,121</b>
Operating expenses excl.SRF	(3,133)	(3,328)
SRF	(636)	(513)
<b>Gross operating income</b>	<b>1,815</b>	<b>2,280</b>
Cost of risk	(740)	(374)
Equity-accounted entities	95	86
Net income on other assets	10	4
Change in value of goodwill	—	—
<b>Income before tax</b>	<b>1,180</b>	<b>1,996</b>
Tax	(401)	(521)
Net income from discount'd or held-for-sale ope.	1	2
<b>Net income</b>	<b>780</b>	<b>1,476</b>
Non-controlling interests	(209)	(250)
<b>Net income Group Share</b>	<b>571</b>	<b>1,226</b>
<b>Earnings per share (€)</b>	<b>0.15</b>	<b>0.36</b>
<b>Cost/Income ratio excl.SRF (%)</b>	<b>56.1%</b>	<b>54.4%</b>

### ii. Operation Results for Business Lines

#### a) Asset gathering

<b>(in millions of euros)</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Revenues</b>	<b>1,569</b>	<b>1,746</b>
Operating expenses excl. SRF	(698)	(715)
SRF	(8)	(6)
<b>Gross operating income</b>	<b>864</b>	<b>1,024</b>
Cost of risk	(2)	(1)
Equity-accounted entities	20	22
Net income on other assets	1	0
<b>Income before tax</b>	<b>883</b>	<b>1,046</b>
Tax	(183)	(232)
Net income from discontinued or held-for-sale operations	(1)	—
<b>Net income</b>	<b>698</b>	<b>814</b>
Non-controlling interests	(120)	(115)
<b>Net income Group Share</b>	<b>578</b>	<b>698</b>

#### b) Large customers – LC

<b>(in millions of euros)</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Revenues</b>	<b>1,723</b>	<b>2,051</b>
Operating expenses excl. SRF	(968)	(1,121)
SRF	(441)	(314)
<b>Gross operating income</b>	<b>314</b>	<b>616</b>

Cost of risk	(278)	(36)
Equity-accounted entities	3	4
Net income on other assets	0	5
<b>Income before tax</b>	<b>38</b>	<b>589</b>
Tax	(75)	(183)
Net income from discontinued or held-for-sale operations	—	—
<b>Net income</b>	<b>(37)</b>	<b>406</b>
Non-controlling interests	(6)	(29)
<b>Net income Group Share</b>	<b>(43)</b>	<b>376</b>

*c) Specialised financial services – SFS*

<b>(in millions of euros)</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Revenues</b>	<b>688</b>	<b>672</b>
Operating expenses excl. SRF	(366)	(371)
SRF	(35)	(31)
<b>Gross operating income</b>	<b>286</b>	<b>270</b>
Cost of risk	(125)	(158)
Equity-accounted entities	80	74
Net income on other assets	0	(1)
<b>Income before tax</b>	<b>242</b>	<b>184</b>
Tax	(54)	(34)
Net income from discontinued or held-for-sale operations	1	0
<b>Net income</b>	<b>189</b>	<b>150</b>
Non-controlling interests	(26)	(23)
<b>Net income Group Share</b>	<b>164</b>	<b>127</b>

*d) French retail banking – LCL*

<b>(in millions of euros)</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>Revenues</b>	<b>986</b>	<b>936</b>
Operating expenses excl. SRF	(596)	(599)
SRF	(66)	(50)
<b>Gross operating income</b>	<b>324</b>	<b>287</b>
Cost of risk	(61)	(66)
Equity-accounted entities	—	—
Net income on other assets	9	(0)
<b>Income before tax</b>	<b>272</b>	<b>221</b>
Tax	(81)	(63)
Net income from discontinued or held-for-sale operations	—	—
<b>Net income</b>	<b>190</b>	<b>159</b>
Non-controlling interests	(8)	(7)
<b>Net income Group Share</b>	<b>183</b>	<b>151</b>

*e) International retail banking – IRB*

(in millions of euros)	31/03/2022	31/03/2023
<b>Revenues</b>	<b>786</b>	<b>969</b>
Operating expenses excl. SRF	(487)	(484)
SRF	(30)	(40)
<b>Gross operating income</b>	<b>270</b>	<b>445</b>
Cost of risk	(273)	(114)
Equity-accounted entities	1	0
Net income on other assets	(0)	0
<b>Income before tax</b>	<b>(2)</b>	<b>332</b>
Tax	(57)	(98)
Net income from discontinued or held-for-sale operations	1	2
<b>Net income</b>	<b>(58)</b>	<b>236</b>
Non-controlling interests	(42)	(58)
<b>Net income Group Share</b>	<b>(100)</b>	<b>178</b>

*f) Corporate centre*

(in millions of euros)	31/03/2022	31/03/2023
<b>Revenues</b>	<b>(168)</b>	<b>(253)</b>
Operating expenses excl. SRF	(18)	(39)
SRF	(56)	(72)
<b>Gross operating income</b>	<b>(243)</b>	<b>(363)</b>
Cost of risk	(2)	1
Equity-accounted entities	(8)	(14)
Net income on other assets	(0)	—
<b>Income before tax</b>	<b>(253)</b>	<b>(376)</b>
Tax	50	88
Net income from discontinued or held-for-sale operations	—	—
<b>Net income</b>	<b>(203)</b>	<b>(287)</b>
Non-controlling interests	(8)	(17)
<b>Net income Group Share</b>	<b>(211)</b>	<b>(305)</b>

In the first quarter of 2023, Crédit Agricole S.A.'s stated net income Group share amounted to €1,226 million, a 2.1-fold increase compared with the first quarter of 2022.

Specific items for this quarter had a cumulative impact of -€23 million on net income Group share, and included the following recurring accounting items: recurring accounting volatility items in revenues, such as the DVA (Debt Valuation Adjustment), the Issuer spread portion of the FVA, and secured lending for -€6 million in net income Group share on capital markets and investment banking, and the hedging of the loan book in the Large customers segment for -€17 million in net income Group share.

Excluding specific items, underlying net income Group share<sup>73</sup> stood at €1,249 million in first quarter 2023, a +61.1% rise over first quarter 2022.

As at 31 March 2023, risk indicators confirm the high quality of Crédit Agricole S.A.'s assets and risk coverage level. The diversified loan book is mainly geared towards home loans (28% of gross outstandings) and corporates (45% of Crédit Agricole S.A. gross outstandings). The Non Performing Loans ratio remained stable and low at 2.7%. The coverage ratio<sup>74</sup> was high at 70.8%, up +0.8 percentage points over the quarter. Loan loss reserves amounted to €9.4 billion for Crédit Agricole S.A., relatively unchanged (+0.2%) compared to end December 2022. Of those loan loss reserves, 36% were for performing loan provisioning. Loan loss reserves for performing loans are higher by €1.4 billion compared with the fourth quarter of 2019.

For more information and details with respect to the recent developments, please refer to the A02 of the 2022 URD.

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<sup>73</sup> Underlying, excluding specific items. See Appendixes in the A02 of the 2022 URD for more details on specific items.

<sup>74</sup> Provisioning rate calculated with outstandings in Stage 3 as denominator, and the sum of the provisions recorded in Stages 1, 2 and 3 as numerator.

## SECTION 9: REPAYMENT PLAN AND ASSURANCE MEASURES

The Issuer intends to fulfil its payment obligations under the Bonds in accordance with the terms of the Bonds. This section sets out an analysis of its ability to fulfil its payment obligations.

### 1. Analysis of the Issuer's Repayment Capability

#### (1) Crédit Agricole Group Internal Support Mechanisms

The internal support mechanisms prevailing within Crédit Agricole Group are presented in Section 4 of the Offering Circular on Risk Factors. By virtue of the Financial and Monetary Code, the Issuer benefits from the support of all Crédit Agricole Network members and affiliated members should it incur solvency or liquidity shortfalls prior to a resolution. The 1988 Guarantee also provides for additional support.

As such, the financial strength and the credit risk associated with the Issuer cannot be assessed in isolation from that of the Group. The own funds of Crédit Agricole Group are available to support the Issuer, which is the single point of entry in resolution.

#### (2) Issuer and Crédit Agricole Group Profitability

The Issuer and Crédit Agricole Group have demonstrated their resilient revenue generation capacity and strong profitability over the years, thanks to their diversified, customer-focused universal banking business model.

For the years ended 31 December 2020, 2021, 2022 and for the three months ended 31 March 2023, the Issuer's stated revenues totalled €20,500 million, €22,657 million, €23,801 million and €6,121 million, respectively, and its net income Group share amounted €2,692 million, €5,844 million, €5,437 million and €1,226 million, respectively.

For the years ended 31 December 2020, 2021, 2022 and for the three months ended 31 March 2023, Crédit Agricole Group's stated revenues totalled €33,596 million, €36,822 million, €38,162 million and €8,927 million, respectively, and its net income Group share amounted €4,689 million, €9,101 million, €8,144 million and €1,669 million, respectively.

#### (3) Issuer and Crédit Agricole Group Financial Strength

##### *Capital Adequacy*

The Issuer and Crédit Agricole Group place strong emphasis on the strength and quality of their capital and their ongoing compliance with minimum regulatory requirements.

The Issuer's solvency ratios as at 31 December 2020, 2021, 2022 and 31 March 2023 are set out below.

As at 31 December	As at 31 March 2023
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Issuer	2020		2021		2022		2023	
	Fully		Fully		Fully		Fully	
	Phased-in	loaded	Phased-in	loaded	Phased-in	loaded	Phased-in	loaded
CET1 ratio	13.1%	12.9%	11.9%	11.6%	11.2%	11.0%	11.6%	11.5%
Tier 1 ratio	14.9%	14.2%	13.2%	12.5%	13.0%	12.3%	13.6%	—
Total capital ratio	19.2%	18.5%	17.7%	16.4%	17.5%	16.3%	17.9%	—

The Issuer's minimum fully-loaded CET1 ratio requirement was disclosed in the 2022 URD as 7.84% in 2021 and 7.84% in 2022 without countercyclical buffer (as phased-in each year). At end-March 2023, the Issuer's solvency ratio was higher than the Medium-Term Plan target, with a phased-in CET1 ratio of 11.6%, up 37 basis points from end-December 2022. The Issuer therefore had a comfortable buffer of 3.7 percentage points between the level of its CET1 ratio and the 7.9% SREP requirement.<sup>75</sup> This is higher than at end-December 2022, when it was 3.3 percentage points. The fully loaded CET1 ratio has reached 11.5% in first quarter 2023. For more information on the recent updates, please refer to the A02 of the 2022 URD.

Crédit Agricole Group's solvency ratios at 31 December 2020, 2021, 2022 and 31 March 2023 are set out below.

Group	As at 31 December						As at 31 March	
	2020		2021		2022		2023	
	Phased-in	Fully loaded	Phased-in	Fully loaded	Phased-in	Fully loaded	Phased-in	Fully loaded
CET1 ratio	17.2%	16.9%	17.5%	17.2%	17.6%	17.2%	17.6%	17.4%
Tier 1 ratio	18.3%	17.7%	18.4%	17.7%	18.6%	18.0%	18.9%	—
Total capital ratio	21.1%	20.4%	21.4%	20.4%	21.6%	20.7%	21.7%	—

Crédit Agricole Group's minimum fully-loaded CET1 ratio requirement was disclosed in the A01 of 2022 URD as 8.85% in 2021 and 8.84% in 2022 without countercyclical buffer (as phased-in each year). As at 31 March 2023, the phased-in CET1 ratio of Crédit Agricole Group was 17.6%, stable vs end-December 2022<sup>76</sup>. Consequently, Crédit Agricole Group had a substantial buffer of 8.7 percentage points between the level of its CET1 ratio and the SREP requirement of 8.9%,<sup>77</sup> which is the largest SREP

<sup>75</sup> Expected increase in the countercyclical buffer at end-June 2023 (from 9 bps at 31 March 2023 to 34 bps at 30 June 2023), raising the SREP requirement to 8.2%.

<sup>76</sup> As a reminder, the CET1 ratio of Crédit Agricole Group at 31/12/2022 included for -17 basis points the anticipated purchase of the Issuer's shares by SAS rue de La Boétie.

<sup>77</sup> Expected increase in the countercyclical buffer at the end of June 2023 (buffer from 7 bp at 31/03/2023 to 40bp at 30/06/2023), raising the SREP requirement to 9.2% at the end of June 2023.



gap among European G-SIBs.<sup>78</sup> The fully loaded CET1 ratio was 17.4%. For more information on the recent updates, please refer to the A02 of the 2022 URD.

### *TLAC*

The Financial Stability Board (FSB) has defined the calculation of a ratio aimed at estimating the adequacy of the loss absorbing and recapitalisation capacity of global systemically important banks (“**G-SIBs**”). This Total Loss Absorbing Capacity (TLAC) ratio provides resolution authorities with the means to assess whether G-SIBs have sufficient loss absorption and recapitalisation capacity before and during resolution. This ratio applies to G-SIBs, and therefore to Crédit Agricole Group.

The Group’s regulatory capital as well as subordinated notes and eligible senior non-preferred debt with residual maturities of more than one year issued by the Issuer are eligible for the numerator of the TLAC ratio.

The TLAC ratio requirement has been transposed into European Union law via CRR and has been applicable since 27 June 2019. The Crédit Agricole Group must meet the following TLAC ratio requirements at all times:

- a TLAC ratio above 18% of risk-weighted assets (RWA), plus – in accordance with CRD V – a combined capital buffer requirement (including, for the Crédit Agricole Group, a capital conservation buffer of 2.5%, a G-SIB buffer of 1% and a countercyclical buffer set at 0.05% for the Crédit Agricole Group at 31 December 2022). Considering the combined capital buffer requirement, the Crédit Agricole Group must comply with a TLAC ratio of above 21.5%;
- a TLAC ratio of above 6.75% of the Leverage Ratio Exposure (LRE).

The 2025 target of the Crédit Agricole Group is to maintain a TLAC ratio greater than or equal to 26% of RWA excluding eligible senior preferred debt.

At 31 December 2022, the Crédit Agricole Group TLAC ratio was 27.2% of RWA and 7.8% of leverage exposure, excluding eligible preferred senior debt, i.e. well above the requirements. The Group thus has a TLAC ratio excluding eligible preferred senior debt of 560 basis points, i.e. €32 billion, above the currently required 21.5% of RWA.

In 2022, an equivalent of €5.9 billion was issued in the market (senior non-preferred debt and Tier 2). The amount of senior non-preferred debt of the Crédit Agricole Group taken into account in the calculation of the TLAC ratio is €27.6 billion.

At 31 March 2023, Crédit Agricole Group’s TLAC ratio stood at 27.4% of RWA and 7.8% of leverage ratio exposure, excluding eligible senior preferred debt,<sup>79</sup> which is

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<sup>78</sup> Based on public data as of 31/05/2023 of the 12 European G-SIBs, as of 31/03/2023 for i.e. GCA, BPCE, BNPP, Deutsche Bank, Santander, Unicredit, Barclays, HSBC, Standard Chartered, UBS and, as of 31/12/2022, for ING and Soci  t   G  n  rale. CASA (31/03/2023). Distance to SREP or requirement in CET1 equivalent.

<sup>79</sup> As part of its annual resolvability assessment, Cr  dit Agricole Group has chosen to waive the possibility offered by Article 72b-(3) of the Capital Requirements Regulation (CRR) to use senior preferred debt for compliance with its TLAC requirements in 2023.

well above the requirements. The TLAC ratio expressed as a percentage of risk weighted assets increased by 20 bps over the quarter, in line with the increase in equity and eligible items over the period. Expressed as a percentage of leverage exposure (LRE), the TLAC ratio was stable compared to December 2022.

The Group thus has a TLAC ratio excluding eligible senior preferred debt that is 580 bps higher, i.e. €34 billion, than the current requirement of 21.6% of RWA.

At end-March 2023, €2.6 billion equivalent was issued in the market (AT1, senior non-preferred and Tier 2 debt). The amount of Crédit Agricole Group senior non-preferred securities taken into account in the calculation of the TLAC ratio was €28.0 billion.

### *MREL*

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio is defined in the European BRRD. This BRRD establishes a framework for the resolution of banks throughout the European Union, with the aim to provide resolution authorities with instruments and powers to prevent the occurrence of banking crises, preserve financial stability and reduce taxpayers' exposure to losses. Directive (EU) 2019/879 of 20 May 2019 amended the BRRD and was transposed into French law by Order 2020-1636 of 21 December 2020

The MREL ratio corresponds to an own funds and eligible liabilities buffer required to absorb losses in the event of resolution. Under BRRD, the MREL ratio is calculated as the amount of own funds and eligible liabilities expressed as a percentage of risk-weighted assets (RWA) and as a percentage of leverage exposure (LRE). The total regulatory capital of the Group, in addition to the eligible liabilities issued by the Central body and its affiliated entities, i.e. the subordinated notes, senior non-preferred debt and some senior preferred debt with a residual maturity of more than one year, qualify for inclusion in the MREL ratio numerator.

The required minimum levels are determined in the decisions taken by the resolution authorities and communicated to each institution, then revised periodically. As of 1 January 2022, the Crédit Agricole Group must comply with a total minimum MREL requirement of:

- 21.04% of RWA, plus – in accordance with CRD V – a combined capital buffer requirement (including, for the Crédit Agricole Group, a capital conservation buffer of 2.5%, a G-SIB buffer of 1% and a countercyclical buffer set at 0.05% for the Crédit Agricole Group at 31 December 2022). Considering the combined capital buffer requirement, the Crédit Agricole Group must comply with a MREL ratio of above 24.6%;
- 6.02% of the LRE.

At 31 December 2022, the Crédit Agricole Group had an estimated MREL ratio of 31.6% of RWA and 9.1% leverage exposure, well above the total MREL requirement.

At 31 March 2023, Crédit Agricole Group had a MREL ratio of 32.8% of RWA and 9.3% of leverage exposure, well above the total MREL requirement.

An additional subordination requirement to TLAC (“subordinated MREL”) is also defined by the resolution authorities and expressed as a percentage of RWA and of LRE, from which the senior debt instruments are excluded, similarly to the TLAC, whose ratio is equivalent to that of the subordinated MREL for the Crédit Agricole Group. Since 1 January 2022, the subordinated MREL requirement did not exceed the TLAC requirement for the Crédit Agricole Group.

The distance to the maximum distributable amount trigger related to the MREL requirements (M-MDA) is, for the G-SIBs, the lower of the respective distances to the MREL, subordinated MREL and TLAC requirements expressed in terms of RWA.

At 31 December 2022, the Crédit Agricole Group thus has a buffer of 560 basis points above the M-MDA trigger, considering the TLAC requirement applicable as of 31 December 2022, i.e. €32 billion in CET1 capital.

At 31 March 2023, Crédit Agricole Group therefore had a safety buffer of 580 basis points above the M-MDA trigger, taking into account the TLAC requirement applicable at 31 March 2023, i.e. €34 billion of CET1 capital.

#### *Liquidity and Funding*

The Issuer and Crédit Agricole Group operate under a prudent liquidity and funding management framework. Their liquidity position is healthy.

Since March 2014, Eurozone credit institutions have been obliged to report to their supervisory authorities their Liquidity Coverage Ratio (LCR), as defined by the EBA (European Banking Authority). The aim of the LCR is to boost the short-term resilience of banks’ liquidity risk profile by ensuring that they have 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.

Credit institutions are subject to a threshold for this ratio, set at 100% since 1 January 2018.

The average LCR ratios over 12-month of Crédit Agricole Group and the Issuer were respectively 167.3% and 147.9% at end-December 2022. They amounted to 162.6% and 147.2% respectively for Crédit Agricole Group and the Issuer at end March 2023. They exceeded the Medium-Term Plan target of around 110%.

The LCR ratios at 31 December 2022 were 167.6% for Crédit Agricole Group and 162.7% for the Issuer, respectively. The end of period LCR ratios at 31 March 2023 were respectively 158.4% for Crédit Agricole Group and 154.2% for the Issuer.

In the context of the Covid-19 health crisis, the high level of the LCR ratios of the Crédit Agricole Group and the Issuer is in line with the Group’s use of TLTRO 3 drawdowns through the ECB.

Standing at €1,671 billion at 31 March 2023, the Group's banking cash balance sheet shows a surplus of stable funding resources over stable application of funds of €217 billion, up +€4 billion compared to end-December 2022 due to the €7 billion increase in refinancing needs resulting from commercial activity (€1 billion increase in loans and €6 billion decrease in customer-related funds), offset by an €11 billion increase in medium- and long-term market funds. The surplus of stable funding resources is also down by -€69 billion compared to the end of March 2022, mainly due to the repayment in December 2022 of €71 billion<sup>80</sup> of TLTRO 3 resources.

In addition, total TLTRO 3 outstandings for Crédit Agricole Group amounted to €90 billion<sup>6</sup> at 31 March 2023, down -€1 billion<sup>6</sup>, which were repaid during the quarter. It should be noted, with regard to the position in available stable funding, that internal management excludes the temporary surplus of stable resources provided by the increase in T-LTRO 3 outstandings in order to secure the Medium-Term Plan's target of €110 billion to €130 billion, regardless of the repayment strategy.

Furthermore, given the excess liquidity, the Group remained in a short-term lending position at 31 March 2023 (central bank deposits exceeding the amount of short-term net debt).

Medium-to-long-term market funds stood at €295 billion at 31 March 2023, up +€11 billion compared to end- December 2022, and down -€65 billion compared to end-March 2022 particularly due to the repayment in December 2022 of €71 billion<sup>6</sup> of TLTRO 3 resources.

They included senior secured debt of €156 billion, senior preferred debt of €87 billion, senior non-preferred debt of €31 billion and Tier 2 securities amounting to €21 billion.

At 31 March 2023, the Group's liquidity reserves, at market value and after haircuts, amounted to €457 billion, down -€10 billion from end-December 2022 and -€15 billion from end-March 2022. They covered short-term net debt more than three times over (excluding the replacements with Central Banks).

They remain at a high level, although they are expected to decline due to the amortization of a portion of the claims eligible to Central Bank (pool of real estate claims of the Regional Banks and LCL not reloaded in anticipation of the end of the "ACC<sup>81</sup> real estate" channel on 30 June 2023).

Crédit Agricole Group also continued its efforts to maintain immediately available reserves (after recourse to ECB financing). Central bank eligible non-HQLA assets after haircuts amounted to €134 billion.

In addition, the NSFR of Crédit Agricole Group and the Issuer exceeded 100%, in accordance with the regulatory requirement applicable since 28 June 2021 and above the Medium-Term Plan target (>100%).

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<sup>80</sup> Excluding FCA Bank.

<sup>81</sup> Additional Credit Claims.

The Group continues to follow a prudent policy as regards medium-to-long-term refinancing, with a very diversified access to markets in terms of investor base and products.

At 31 March 2023, the Group's main issuers raised the equivalent of €21.2 billion<sup>82,83</sup> in medium-to-longterm debt through the open market, 50% of which was issued by the Issuer. Significant events for the Group are as follows:

- Crédit Agricole CIB issued €6 billion in structured format;
- Crédit Agricole Consumer Finance issued €0.7 billion in ABS securitisations;
- Crédit Agricole Next Bank (Switzerland) issued a seven-year, CHF 150 million covered bond in January;

The Group's medium-to-long-term financing can be broken down into the following categories:

- €4.5 billion in secured financing;
- €8.0 billion in plain-vanilla unsecured financing;
- €6.4 billion in structured financing;
- €2.4 billion in long-term institutional deposits and CDs.

In addition, €6.0 billion was raised through off-market issuances, split as follows:

- €4.4 billion from banking networks (the Group's retail banking or external networks);
- €0.6 billion from supranational organisations or financial institutions;
- €1.0 billion from national refinancing vehicles (including the credit institution CRH).

At 31 March 2023, the Issuer raised the equivalent of €10.7 billion<sup>7,8</sup> through the open market:

The bank raised the equivalent of €10.7 billion<sup>7</sup>, of which €1 billion in senior non-preferred debt, €0.4 billion in Tier 2 debt, €6.3 billion in senior preferred debt and €3 billion in senior secured debt. The financing comprised a variety of formats and currencies:

- €7.8 billion;
- \$1.5 billion;
- £0.9 billion;
- SGD 0.5 billion;

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<sup>82</sup> Gross amount before buy-backs and amortisations

<sup>83</sup> Excl. AT1 issuances.

- CHF 0.1 billion;
- JPY 4 billion.

Since end-March, the Issuer has raised an additional €3.1 billion, including a €1.25 billion senior secured issue and a 1.5 billion senior preferred issue. As a result, at end-April, the MLT financing plan stood at € 13.8 billion, or 73% of the 2023 programme.

Note that on 3 January 2023, the Issuer issued a PerpNC6 AT1 bond for €1.25 billion at an initial rate of 7.25%.

#### (4) Active Risk Management

The Issuer and the Group have robust risk measurement, supervision and control systems covering all risks (credit and counterparty risks, market risks, operational risks, financial risks, etc.), which are adapted to its business activities and organisation. For more details, please see “Operation and Management of the Issuer - Risk Management of the Issuer” in Section 7 of this Offering Circular.

Key loan impairment and VaR indicators evidence the low risk profile of the Issuer and of Cr dit Agricole Group.

Below please find the relevant indicators of credit risk exposures for the Group and the Issuer.

<b>Group – Evolution of credit risk outstandings</b>			
<i>millions in euros, except %</i>	<b>March 2022</b>	<b>December 2022</b>	<b>March 2023</b>
Gross customer loans outstanding	1,080,012	1,134,254	1,136,259
of which: impaired loans	21,072	23,968	23,958
Loans loss reserves (incl. collective reserves)	18,888	19,864	19,981
Impaired loans ratio (%)	2.0%	2.1%	2.1%
Coverage ratio (excl. collective reserves) (%)	52.1%	48.0%	48.2%
Coverage ratio (incl. collective reserves) (%)	89.6%	82.9%	83.4%
<b>Issuer – Evolution of credit risk outstandings</b>			
<i>millions in euros, except %</i>	<b>March 2022</b>	<b>December 2022</b>	<b>March 2023</b>
Gross customer loans outstanding	471,728	499,096	496,150
of which: impaired loans	11,350	13,339	13,214
Loans loss reserves (incl. collective reserves)	8,792	9,339	9,361
Impaired loans ratio (%)	2.4%	2.7%	2.7%
Coverage ratio (excl. collective reserves) (%)	48.2%	45.3%	45.5%

Coverage ratio (incl. collective reserves) (%)	77.5%	70.0%	70.8%
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The Issuer has a diversified and stable credit risk profile. By business sector, retail banking, non-merchant services/public sector/local authorities sectors and other non-banking financial activities represented 24.5%, 26.5% and 5.9%, respectively, of the Issuer's credit risk exposures<sup>84</sup> at the end of March 2023. At the end of March 2023, 53.7% of the Issuer's exposures were located in France, among which French retail banking represented 15.7% of the Issuer's exposures. 12.6% of the Issuer's exposures were located in Italy at the end of March 2023.

## **(5) Strong Credit Rating**

Taking into account the internal support mechanisms prevailing within the Group, the rating agencies assign credit ratings to the Issuer based on their assessment of the financial fundamentals of Crédit Agricole Group as a whole.

As at the date of this Offering Circular, Standard & Poor's assigns long and short-term senior preferred unsecured debt ratings of A+/A-1 to the Issuer with a Stable outlook. Moody's assigns long and short-term senior preferred unsecured debt ratings of Aa3/P-1 with a Stable outlook. Fitch assigns long and short-term senior preferred unsecured debt ratings of AA-/F1+ to the Issuer with a Stable outlook.

In addition, the Issuer was assigned a credit rating of "AAAspc" with a "stable" outlook by the Credit Rating Agency on 4 July 2023. The Credit Rating Agency has also assigned its "AAAspc" rating to the Bonds.

Please also refer to "Regulation and Governance of the Issuer – Basel III Pillar III Regulation" in Section 11 for more information.

## **2. Repayment arrangements**

### **(1) Management of Use of Proceeds**

For the net proceeds from the offering of the bonds under the Programme, (i) no less than 60% of the net proceeds will be retained in Renminbi and used onshore to support the Issuer's and its subsidiaries' business activities and development in the PRC; and (ii) no more than 40% of the net proceeds may be swapped to other currencies or retained in RMB to be used offshore for the general corporate purposes of the Issuer, subject to the offshore RMB funding needs of the Issuer and market conditions.

Notwithstanding the above, the net proceeds from the offering of the Bonds, i.e. the first issuance under the Programme, will be remitted offshore and used to support the Issuer's and its subsidiaries' business activities, subject to the satisfaction of the applicable requirements of the regulatory authorities and completion of the required procedures under the applicable PRC laws and regulations.

<sup>84</sup> The commercial lending portfolio figures in this paragraph are calculated in accordance with IFRS7 requirements, and they encompass both on balance-sheet and off-balance-sheet exposures.

## **(2) Repayment Assurance**

The Issuer believes that it has the ability to fulfil its payment obligations under the Bonds. The funds to be used for the repayment of the principal of and interest on the Bonds will be provided by the Issuer and the source of the funds could come from mainland China or from offshore.



## SECTION 10: CORPORATE GOVERNANCE OF THE ISSUER

### 1. The Board of Directors

Crédit Agricole S.A. is a company with a Board of Directors that separates the roles of Chairman and Chief Executive Officer, in accordance with Group practice and current regulations, namely the separation of planning, decision-making and control functions from the executive functions.

Pursuant to the provisions of the AFEP/MEDEF Code, Corporate Officers include the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer of Crédit Agricole S.A. Pursuant to the provisions of the French Monetary and Financial Code, the Board of Directors must ensure that Crédit Agricole S.A. has a sound governance system, comprising in particular a clear organisation, resulting in responsibilities being shared in a well-defined, transparent and coherent manner, effective procedures for identifying, managing, monitoring and reporting risks to which the Issuer is or may be exposed, an adequate internal control system, sound administrative and accounting procedures; and compensation policies and practices enabling and facilitating sound and effective risk management.

#### *Composition of the Board of Directors*

The Issuer's Board of Directors comprises 21 Directors, including its Chairman, as follows:

- (a) eighteen Directors elected by the General Meeting of Shareholders, including:
  - ten Directors who are Chairmen or Chief Executive Officers of a Crédit Agricole Regional Bank,
  - one Director that is a legal entity, SAS Rue La Boétie, represented by a Chief Executive Officer of a Regional Bank who is also Deputy Chairman of SAS Rue La Boétie and first Deputy Chairman of the FNCA (*Fédération nationale du Crédit Agricole*),
  - six Directors from outside Crédit Agricole Group,
  - a Director representing employee shareholders;
- (b) one Director representing professional farming associations, appointed by joint decree of the Ministers of Economy and Finance and of Agriculture and Food, pursuant to article L. 512-49 of the French Monetary and Financial Code;
- (c) two Directors appointed by the two major trade unions.

The majority representation of Crédit Agricole's Regional Banks on the Board of Directors of Crédit Agricole S.A. was affirmed in the Crédit Agricole S.A. Listing Memorandum, drawn up between the Regional Banks and what was then CNCA (*Caisse Nationale de Crédit Agricole*), published in the Crédit Agricole S.A. Registration Document for financial year 2001.

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting Directors. Their appointment follows the review of their candidacy by the Appointments and Governance Committee. They attend Board Meetings but have no voting rights. Their appointment takes place in the context of the staggered management of terms of office, thereby allowing the Board to create a pool of Directors who are immediately operational as soon as they take up their position as Director. Non-voting Directors are subject to the same rules as Directors and are remunerated under the same conditions. They are listed as permanent insiders and the provisions of the Board's Rules of Procedure, in particular as regards the prevention of conflicts of interest, apply to them.

Sonia Bonnet-Bernard, who joined the Board on 1 September 2021 as a non-voting Director, was appointed as a Director by the General Meeting of 22 May 2022 and replaced Catherine Pourre as Chair of the Audit Committee. Hugues Brasseur, Chief Executive Officer of the Anjou and Maine Regional Bank, who joined the Board on 10 February 2021 as a non-voting Director, was appointed Director by the General Meeting of 24 May 2022 and replaced Gérard Ouvrier-Buffet. Carol Sirou, who joined the Board on 24 May 2022 as a non-voting Director, was appointed as a Director by the General Meeting of 17 May 2023 and replaced Françoise Gri, before being appointed Chairman of the Risk Committee and the US Risk Committee, as well as member of the Audit Committee.

José Santucci, Chief Executive Officer of the Provence Côte d'Azur Regional Bank, was appointed non-voting Director by the Board of Directors on 24 May 2022.

Following the entry into force of the PACTE Act (Act of 22 May 2019), which requires listed companies to have a director representing employee shareholders (ARSA) on the Board of Directors, and in order to limit the size of the Board to 21 directors and maintain the majority representation of the Regional Banks, the position of Director representing Regional Bank employees was not renewed at the General Meeting of 12 May 2021. The historical and legitimate representation of Regional Bank employees on the Board of Directors is now ensured by a non-voting Director, in this case Pascale Berger, a former Director.

The representative of the Social and Economic Committee attends meetings of the Board of Directors in an advisory capacity.

The following tables set out the members of the Board of the Issuer as at 15 May 2023.

<b>Name</b>	<b>Position</b>
Dominique Lefebvre <sup>(1)</sup>	Chairman of the Board of Directors
Raphaël Appert Representing Sas Rue La Boétie	Deputy Chairman of the Board of Directors
Agnès Audier	Independent Director
Olivier Auffray	Director
Sonia Bonnet-Bernard	Independent Director
Hugues Brasseur	Director
Pierre Cambefort	Director

Marie-Claire Daveu	Independent Director
Jean-Pierre Gaillard	Director
Nicole Gourmelon	Director
Carol Sirou	Independent Director
Jean-Paul Kerrien	Director
Marianne Laigneau	Independent Director
Christiane Lambert	Director representing professional farming associations
Christophe Lesur	Director representing employee shareholders
Pascal Lheureux	Director
Alessia Mosca	Independent Director
Louis Tercinier	Director
Catherine Umbricht	Director representing employees
Eric Vial	Director
Eric Wilson	Director representing employees
Pascale Berger	Non-voting Director; Representing employees of Crédit Agricole Regional Banks
Jos é Santucci	Non-voting Director
Bernard de Dr ée	Representative of the Social and Economic Committee

**Notes:**

- (1) Chairman since 2015 (2007-2009: Director as natural person; 2009-2015: representing SAS Rue La Bo édie).

### ***Chairman of the Board of Directors***

The Chairman of the Board of Directors guides and organises the Board's work. He/she is responsible for ensuring that the Board as well as its Committees operate properly.

For this purpose, he/she ensures that the information provided to the Directors gives them sufficient insight for the decisions they make; he/she therefore makes sure that information flows properly between the Board and Executive Management and between the Board and its Committees.

He/she encourages and promotes open discussion and ensures that it is possible to express all points of view within the Board.

He/she calls Board Meetings and sets the agenda.

### ***Powers of the Board of Directors***

The Board of Directors exercises the powers granted to it by law and by the Issuer's Articles of Association. It sets out the guidelines for the Issuer's business and ensures that they are applied, in accordance with its social purpose, while incorporating the social and environmental issues relating to its line of business. As such:

- the Board approves the annual parent company financial statements (balance sheet, income statement, notes), the management report detailing the Issuer's position during the past financial year or current financial year, and its outlook, along with its forecasts.

It approves the consolidated financial statements of the Crédit Agricole S.A. Group and takes note of its interim financial statements;

- the Board approves the consolidated financial statements of the Crédit Agricole Group;
- the Board decides to call the Issuer's General Meeting of Shareholders. It sets the agenda and prepares the draft resolutions;
- the Board (i) elects and dismisses the Chairman of the Board of Directors; (ii) appoints and dismisses the Chief Executive Officer, on the Chairman's recommendation; (iii) temporarily fills one or more Director or Non-Voting Director positions in the event of a vacancy, death or resignation, in accordance with the provisions of Article 14 of the Articles of Association; and (iv) appoints and dismisses Deputy General Manager(s), on the Chief Executive Officer's recommendation;
- the Board decides on how to distribute the total compensation package allocated to Corporate Officers;
- the Board must first authorise any agreement that falls under Articles L. 225-38 et seq. of the French Commercial Code and, in particular, any agreement between the Issuer and any Corporate Officer;
- the Board presents the Report on corporate governance attached to the management report during the General Meeting. Besides including information on the compensation of Corporate Officers and on any agreements reached between Corporate Officers and the Issuer, the report presented by the Board also provides details about its composition, its organisation, how it operates, the work accomplished the previous financial year, and the diversity policies implemented both within the Board and within the Issuer's management bodies.

The Board also:

- determines the Group's strategic orientations, on the recommendation of the Chairman and Chief Executive Officer;
- gives prior approval to strategic investment plans and any transaction, specifically any acquisition or disposal, that is likely to have a material effect on the Group's earnings, the structure of its balance sheet or its risk profile;
- defines the general principles applicable to the Crédit Agricole Group's internal financial organisation;
- decides or authorises the issuance of Crédit Agricole S.A. bonds;
- grants the Chief Executive Officer the necessary powers to implement the decisions set out above;
- approves and regularly reviews the risk appetite profile along with the strategies and policies governing risk taking/management/monitoring/reduction for the risks to which Crédit Agricole S.A. and the Group are or may be exposed, including social and environmental risks;

- notably approves the various commitment and risk limits for the Cr dit Agricole S.A. and, where applicable, for the Cr dit Agricole Group;
- approves the report on the organisation of the internal control system for combating money laundering and terrorist financing, as well as on incidents, shortcomings and corrective measures that have been taken;
- approves the information system security policy which, on the basis of risk analysis, determines the principles implemented to protect the confidentiality, integrity and availability of their information and customer data, assets and IT services;
- issues an opinion, after having canvassed those of the Risk Committee and Appointments and Governance Committee, on the appointment as recommended by the Chief Executive Officer of each Group Head of an internal control function, i.e. the Chief Risk Officer, Head of Internal Audit and Compliance Officer. Where necessary, the Board will follow the same process when making a decision to dismiss any of the managers referred to above, who cannot be removed from their position without the prior approval of the Board;
- determines and regularly reviews the general principles of the compensation policy in place at the Cr dit Agricole S.A. Group, in particular that regarding employee categories whose activities have a material impact on the Group's risk profile;
- reviews the governance system, periodically evaluates its effectiveness and ensures that corrective steps have been taken to remedy any identified deficiencies;
- determines the guidelines and ensures that the dirigeants effectifs (persons effectively running the undertaking, i.e. the Chief Executive Officer and Deputy Chief Executive Officers) implement the monitoring systems in place to ensure effective and prudent management of the activities of Cr dit Agricole S.A. and, in particular, the separation of functions within the organisation and the prevention of conflicts of interests;
- ensures that a code of conduct or similar and effective policies exist and are enforced to identify, manage and mitigate any potential or proven conflicts of interest and to prevent and identify any instances of corruption or influence peddling;
- ensures that Executive Corporate Officers enforce a non-discrimination and diversity policy, for instance with respect to gender representation within decision-making bodies;
- defines the criteria used to assess the independence of Directors;
- is notified in advance by the dirigeants effectifs (persons effectively running the undertaking) of changes in the Group's organisation and management structures;
- conducts any inspections or audits it deems necessary.

With respect to the role of corporate centre assigned to Cr dit Agricole S.A. by the French Monetary and Financial Code:

- the Board authorises:

- (a) any foreign expansion of the Regional Banks,
- (b) any creation, by a Regional Bank, of a financial institution or insurance company, as well as the acquisition of any interest in any such company,
- (c) any financial support for any Regional Bank in difficulty,
- (d) the establishment of a Committee responsible for the interim management of a Regional Bank;
- the Board decides to:
  - (a) give Cr dit Agricole S.A.'s approval for the appointment of Chief Executive Officers of Cr dit Agricole Mutuel Regional Banks.

The Chief Executive Officer also asks the Board for its opinion prior to any decision by the former to dismiss a Chief Executive Officer of a Regional Bank.

## **2. Board of Directors' Committees**

The Board of Directors has established six Specialised Committees tasked with preparing Board meetings and/or providing it with their opinions and recommendations. These include the:

- Risk Committee;
- Audit Committee;
- US Risks Committee;
- Compensation Committee;
- Strategy and CSR (Corporate Social Responsibility) Committee; and
- Appointments and Governance Committee.

The Board of Directors draws up the Rules of Procedure for these Specialised Committees and determines their duties and composition in accordance with current laws and regulations.

The Chairman or the Board of Directors may canvass the opinion of any Committee on any matter within its remit.

The Board of Directors, on the Chairman's recommendation, may appoint one or more Non-Voting Directors who may attend Specialised Committee meetings in the same manner as Directors.

### ***The Committees' Operating Principles***

Committee members are appointed by the Board, on the Chairman's recommendation. The Board may terminate the appointment of a Committee member at any time. A Committee member may resign from office at any time. All Committee members, and all other persons who attend Committee Meetings, are bound by confidentiality and professional secrecy.

The functioning of each Committee is governed by Rules of Procedure. In the course of their work, Board Committees may interview any executive or employee of Cr dit Agricole S.A. Group or experts from outside the Issuer in areas that fall within the Committees' remit.

In accordance with the provisions of the French Monetary and Financial Code and the recommendations of the European banking authorities, the Committee members have the knowledge, skills and expertise necessary for their role. These competences are assessed annually after review by the Appointments and Governance Committee at the same time with respect to:

- the results of the annual evaluation provided for in Article L. 511-100 of the French Monetary and Financial Code;
- the qualities necessary to chair and serve on Committees, as described in the Board's procedural memorandum adopted on 7 November 2017;
- the guidelines of 2 July 2021 on the assessment of the skills of members of management bodies established by the European Banking Authority.

Members of the Specialised Committees receive a brief on the different items on the agenda, generally three to five days prior to each meeting, depending on the Committee.

Just as Board members are paid for attending Board Meetings, members of Committees are paid for their presence based on a scale set by the Board on the recommendation of the Compensation Committee.

### ***Risk Committee***

At 15 May 2023, the Risk Committee had five members, including three independent Directors.

The Risk Committee meetings are attended on a permanent basis by the Group Chief Risk Officer, the Head of Group Control and Audit, the Group Compliance Officer, the Deputy Chief Executive Officer in charge of Steering and Control, the Head of Group Finance and the Head of Accounting and Consolidation. Since her appointment as a non-voting Director, Carol Sirou has also sat on this Committee. Her appointment will be proposed to the General Meeting on 17 March as replacement for Fran oise Gri, after which she will be offered the chairmanship of this Committee.

The functioning and duties of the Committee are set out in Rules of Procedure as approved by the Board of Directors. The Committee performs its duties under the responsibility of the Board of Directors, in the areas defined by provisions of the French Monetary and Financial Code. These are mainly derived from the CRD IV Directive of 20 February 2014 and the decree of 3 November 2014 on the internal control of banks.

Minutes are prepared for each Committee Meeting and, after approval by its Chair, are distributed first to all members of the Committee and then to all members of the Board.

The work of the Committee is subject to annual programming, adapted according to needs and current events. At the non-executive session held in the autumn, the Risk Committee decides on its general agenda for the following year and the individual and collective training requested by its members, and discusses with the members of the other Committees any areas where it might improve. In the midst of a crisis making short-term projections impossible, the Audit and Risk Committees held joint meetings to assess their common needs and carry out the necessary coordination.

### ***Audit Committee***

At 15 May 2023, the Audit Committee had six members, including four independent Directors.

The Audit Committee meetings are attended on a permanent basis by the Deputy Chief Executive Officer in charge of Steering and Control, the Head of Group Finance, the Head of Accounting and Regulatory Information, the Group Chief Risk Officer and the Head of the Group Control and Audit Department, and, as needed, the Head of the Financial Communication department and Head of Subsidiaries and Equity Investments. Since her appointment as a non-voting Director, Carol Sirou has also sat on this Committee.

The functioning and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). Once a year, the Audit Committee organises a work meeting without management presence in order to decide on its general agenda for the following year and to examine any areas where it might improve. Against the backdrop of the pandemic, the Audit and Risk Committees held joint meetings to assess their common needs and carry out the necessary coordination.

It also reserves a part of one of its meetings during the year for a discussion with the Statutory Auditors without senior management being present.

### ***United States Risk Committee***

At 15 May 2023, the US Risk Committee had three members, including two independent Directors.

Since her appointment as a non-voting Director, Carol Sirou has also sat on this Committee.

With a presence in the United States through Cr dit Agricole CIB and Amundi, Cr dit Agricole Group is subject to Section 165 of the Dodd-Frank Act. This regulation requires foreign banks operating in the US, and whose total consolidated assets do not justify the creation of a holding company to head up its businesses, to have a Board of Directors' Committee dedicated to monitoring US risks. It was within this framework that the US Risks Committee was established at the end of the first half of 2016. The wealth management business in the United States (Miami) exited the scope in 2022 following its disposal to Santander, while Lyxor's US operations were successfully blended with those of Amundi US.



US regulations recommend that this Committee should have at least three Directors, one of whom is independent. Crédit Agricole S.A. has opted for mostly independent members, including its Chairwoman, who is also Chairwoman of the Risk Committee.

It holds at least four meetings a year, one of which is in the United States, in accordance with a US Federal Reserve recommendation. In 2022, the Committee met five times; but the health context was not conducive to organising the annual meeting in the United States, as had been done in 2021. Such a meeting is scheduled for 2023.

The Committee organises its work on the basis of an operational note, which became a Group procedural note in 2017. This defines the organisation and framework for consolidated risk management of Group entities in the United States. This document, on which the Rules of Procedure of the US Risks Committee is based, is updated on a regular basis in order to take into account the requirements of the American supervisor and must be formally approved by the Board of Directors.

Each US Risks Committee Meeting is an opportunity for a detailed review of credit risks, market risks, compliance risks and operational risks from the Group's activities in the United States, known as CUSO (Crédit Agricole Combined US Operations). Cyber risk, which is the subject of a specific regulation of the New York Federal Reserve, is closely monitored. In addition, there are systematic reviews of ongoing audits by the US supervisor(s) and the Control and Audit department, and an update on legal and compliance risks.

The liquidity position is reviewed at each meeting. Once a year, following a review by the Committee, this leads to the approval by the Board of Directors of the Liquidity Emergency Plan for the Group's activities in the United States and the Liquidity Risk Appetite Framework, includes credit risks. Similarly, the Committee paid particular attention to the implementation of the recommendations made by the US supervisor as part of its annual "ROCA" (Risk, Operations, Compliance and Asset Quality) review. The Chairwoman of the US Risk Committee, alone or with the Committee members, is interviewed at least once a year by the Fed's supervisory team.

In 2022, the Committee's rules of procedure were amended to include Credit Risk Loan Review and the possibility for the person leading this review to have direct access to the Committee or its Chairwoman. On this occasion, the updated Loan Review procedures were presented to the Committee, which discussed them and raised no objections to the way they had been designed.

### ***Compensation Committee***

At 15 May 2023, the Compensation Committee had six Directors, including three independent Directors and one Director representing employees.

The composition of the Committee complies with legal provisions and the recommendations of the AFEP/MEDEF Code, with a majority of independent Directors, one of whom is the Committee Chair, and the presence of an employee representative.

The Cr dit Agricole Group Head of Human Resources attends meetings of the Compensation Committee accompanied by the Head of Remuneration and Employee Benefits. The Societal Project Director attended several meetings of the Committee in 2022.

The functioning and duties of the Committee are set out in Rules of Procedure as approved by the Board of Directors. The Committee performs the duties conferred upon it by the AFEP/MEDEF Code and the French Monetary and Financial Code (particularly Article L. 511-102), as well as preparing remuneration-related tasks for which the Board of Directors is responsible under the French Commercial Code (particularly Article L. 22-10-8).

In addition, in accordance with the provisions of Article L. 511-91 of the French Monetary and Financial Code and the decision of the Board of Directors of 17 December 2013, the functions assigned to the Compensation Committee under the aforementioned article are performed by the Compensation Committee of the Issuer for the following subsidiaries: LCL, Cr dit Agricole Assurances, Cr dit Agricole Consumer Finance, Cr dit Agricole Leasing & Factoring and CACEIS.

#### ***Appointments and Governance Committee***

At 15 May 2023, the Appointments and Governance Committee comprised six members.

The functioning and duties of the Committee are set out in Rules of Procedure as approved by the Board of Directors.

The Corporate Secretary of the Issuer and Secretary of the Board of Directors take part in meetings of the Appointments and Governance Committee. The Chairwoman of the Appointments and Governance Committee reports to the Board on its work and on the Committee's opinion on matters referred to it for approval.

#### ***Strategy and Corporate Social Responsibility (CSR) Committee***

At 15 May 2023, the Strategy and CSR Committee comprised seven members.

The establishing of this Committee was decided by the Board of Directors in 2003, first as the Strategy Committee and then, from 2015 on, as the Strategy and CSR Committee, with an extension of its area of expertise.

The functioning and duties of the Strategy and CSR Committee is described in its Rules of Procedure, amended in 2016 to allow it to meet whenever the need arises, rather than according to an annual schedule. This method of operation was in response to a request from its members, made as part of the annual evaluation of the Board and to the wishes of the Chairman and the Chief Executive Officer. This flexibility renders it possible to involve the Board as early as possible in the process of considering disposals and acquisition transactions and the development of new business activities.

### **3. Management Bodies**

#### ***Composition of the Executive Committee as of 6 March 2023***

Name	Position
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Philippe Brassac	Chief Executive Officer
Olivier Gavalda	Deputy Chief Executive Officer, Executive Senior Manager, in charge of Universal Bank
J é r ô me Grivet	Deputy Chief Executive Officer, Executive Senior Manager, in charge of Steering and Control
Xavier Musca	Deputy Chief Executive Officer, Executive Senior Manager, in charge of Major Clients
Val é rie Baudson	Deputy General Manager, Head of Asset Management
Philippe Dumont	Deputy General Manager, Head of Insurance
Michel Mathieu	Deputy General Manager, Head of Retail Banking Subsidiaries
Jean-Paul Mazoyer	Deputy General Manager, Head of Technology, Digital and Payments
St é phane Priami	Deputy General Manager, Head of Specialised Financial Services
Alexandra Boleslawski	Chief Risk Officer
Martine Boutinet	Head of Compliance
B é n é dicte Chr é tien	Group Head of Human Resources
V é ronique Faujour	Corporate Secretary
Giampiero Maioli	Head of Cr é dit Agricole Italy
Laurence Renoult	Head of Internal Audit

***Composition of the Management Committee as of 6 March 2023***

The Management Committee consists of the Executive Committee and the following:

<b>Name</b>	<b>Position</b>
Alban Aucoin	Head of Public Affairs
Jean-Fran ç ois Balaÿ	Deputy Chief Executive Officer of Cr é dit Agricole CIB – Funding
Jean-Jacques Barb é ris	Head of the Institutional and Corporate Clients Division and ESG of Amundi
Olivier B é rorgey	Deputy Chief Executive Officer and Finance Director of Cr é dit Agricole CIB
Nicolas Calcoen	Deputy Chief Executive Officer and Head of Strategy, Finance and Control Division of Amundi
Eric Campos	Head of Societal Project and Chief Executive Officer of Cr é dit Agricole Transitions & Énergies
Giacomo Carelli	Chief Executive Officer of FCA Bank and Head of International Partnerships of CACF
Bertrand Chevallier	Head of Group Procurement
Julie de La Palme	Head of Communications

Nicolas Denis	Chief Executive Officer of Predica, Deputy CEO and Executive Senior Manager of Crédit Agricole Assurances
Jean-François Deroche	Senior Regional Officer for Asia-Pacific
Bernard De Wit	Executive Senior Manager of Amundi and Head of Governance and General Secretary
François-Édouard Drion	Chief Executive Officer of Agos Ducato
Stéphane Ducroizet	Senior Regional Officer for the Americas and Senior Country Officer for the United States
Meriem Echcherfi	Head of Strategy
Paul Foubert	Head of Group Finance
Laurent Fromageau	Head of Retail Development Division of LCL
Didier Gaffinel	Deputy General Manager and Head of Global Coverage & Investment Banking of Crédit Agricole CIB
Pierre Gay	Deputy Chief Executive Officer and Global Head of Global Markets of Crédit Agricole CIB
Roberto Ghisellini	Deputy Chief Executive Officer of CA Italia and Chief Executive Officer of Creval
Claire-Lise Hurlot	Head of Customer Project
Isabelle Job-Bazille	Chief Economist
Michel Le Masson	Head of International Banking Development
Guillaume Lesage	Chief Operating Officer of Amundi
Laila Mamou	Deputy Chief Executive Officer of Sofinco
Jean-Bernard Mas	Chief Executive Officer of BforBank
Pierre Metge	Head of Group Project Steering and Impulse
Jean-Pierre Michalowski	Chief Executive Officer of CACEIS
Régis Monfront	Chairman Investment Banking of Crédit Agricole CIB in Dubai
Vincent Mortier	Chief Investment Officer of Amundi
Bernard Muselet	Chief Executive Officer of Crédit Agricole Bank Polska and Group Senior Country officer, Poland
Olivier Nicolas	Head of Corporate, Institutional and Wealth Management Division of LCL
Guilhem Nouvel-Alaux	Head of Regional Bank Relation
Marc Oppenheim	Chief Executive Officer of Crédit Agricole Immobilier
Guillaume Oreckin	Chief Executive Officer of Pacifica, Executive Senior Manager of Crédit Agricole Assurances
Jacques Prost	Chief Executive Officer of CA Indosuez Wealth Management
Vittorio Ratto	Deputy Chief Executive Officer of CA Italia, in charge of Retail Banking, Private & Digital

Emmanuel Sardet	Head of SI Transformation and Chief Executive Officer of CA-GIP
Cinzia Tagliabue	Head of International Partner Networks Division and CEO Italy of Amundi
Jean-Pierre Trinelle	Managing Director of Crédit Agricole Egypt and Group Senior Country Officer, Egypt
Hervé Varillon	Chief Executive Officer of Crédit Agricole Leasing & Factoring
Francis Vicari	Head of Legal
Valérie Wanquet	Group Deputy General Manager - International, Insurance, Finance and Legal, and Executive Senior Manager of CACF

## SECTION 11: REGULATION AND GOVERNANCE OF THE ISSUER

### 1. GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

#### **French Banking Regulatory and Supervisory Bodies**

French banking law is mostly set forth in directly applicable EU regulations and in the French Monetary and Financial Code which is mainly derived from EU directives and guidelines. The French Monetary and Financial Code sets forth the conditions under which credit institutions, including banks, may operate, and vests related supervisory and regulatory powers in certain banking regulatory and supervisory bodies.

#### ***The French Supervisory Banking Authorities***

In France, the *Autorité de contrôle prudentiel et de résolution* (“**ACPR**”) was created in July 2013 to supervise financial institutions and insurance firms and be in charge of client protection and of ensuring the stability of the financial system. On 15 October 2013, the European Union adopted Regulation (EU) No 1024/2013 establishing a single supervisory mechanism for credit institutions of the euro-zone and opt-in countries (the “**ECB Single Supervisory Mechanism**”), which has conferred specific tasks on the European Central Bank (the “**ECB**”) concerning policies relating to the prudential supervision of credit institutions. This European regulation has given to the ECB, in conjunction with the relevant national regulatory authorities, direct supervisory authority for certain European credit institutions and banking groups, including the Crédit Agricole Group.

Since 4 November 2014, the ECB performs supervisory tasks and responsibilities within the framework of the ECB Single Supervisory Mechanism, in close cooperation, in France, with the ACPR (each of the ACPR and the ECB is referred to as a “**Supervisory Banking Authority**”):

- The ECB is exclusively competent to carry out, for prudential supervisory purposes, the following tasks in relation to all credit institutions, regardless of the significance of the credit institution concerned:
  - to authorise credit institutions to operate, and to withdraw authorisation of credit institutions; and
  - to assess notifications of the acquisition and disposal of qualifying holdings, in other credit institutions, except in the case of a bank resolution.
- The other supervisory tasks are performed by both the ECB and the ACPR, their respective supervisory roles and responsibilities being allocated on the basis of the significance of the supervised entities, with the ECB directly supervising significant banks, such as the Crédit Agricole Group, while the ACPR is in charge of the supervision of the less significant entities. These supervisory tasks include, *inter alia*, the following:
  - to ensure compliance with all prudential requirements laid down in general EU banking rules for credit institutions in the areas of own funds requirements,

securitisation, large exposure limits, liquidity, leverage, reporting and public disclosure of information on such matters;

- to carry out supervisory reviews, including stress tests and their possible publication, and on the basis of this supervisory review, to impose where necessary on credit institutions higher prudential requirements to protect financial stability under the conditions provided by EU law;
  - to impose robust corporate governance practices (including the fit and proper requirements for the persons responsible for the management process, internal control mechanisms, remuneration policies and practices) and effective internal capital adequacy assessment processes; and
  - to carry out supervisory tasks in relation to recovery plans, and early intervention where credit institutions or groups do not meet or are likely to breach the applicable prudential requirements, including structural changes required to prevent financial stress or failure but excluding resolution measures.
- The ACPR may apply requirements for capital buffers to be held by credit institutions at the relevant level, in addition to own funds requirements (including countercyclical buffer rates). If deemed necessary, the ECB may, instead of the ACPR but by cooperating closely with it, apply such higher requirements.

### ***The Resolution Authority***

In France, the ACPR is in charge of implementing measures for the prevention and resolution of banking crises, including, but not limited to, the Bail-in Tool described below. See “*Resolution Measures*” below.

In addition, since 1 January 2016, a single resolution board (the “**Single Resolution Board**”) established by Regulation (EU) No 806/2014 of the European Parliament and of the Council 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, as amended by Regulation (EU) No 2019/877 of the European Parliament and of the Council of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the “**Single Resolution Mechanism Regulation**”), together with national authorities, is in charge of resolution planning and preparation of resolution decisions for cross-border credit institutions and banking groups as well as credit institutions and banking groups directly supervised by the ECB, such as the Cr dit Agricole Group. The ACPR remains responsible for implementing the resolution plan according to the Single Resolution Board’s instructions.

### ***Other French Banking Regulatory and Supervisory Bodies***

The Financial Sector Consultative Committee (*Comit  consultatif du secteur financier*) is made up of representatives of credit institutions, financing companies, electronic money institutions, payment institutions, investment firms, asset management companies, insurance companies and insurance brokers and client representatives. This committee is a consultative organisation that studies the relations between the abovementioned entities and their respective clientele, delivers opinion (*avis*) and proposes or adopts general recommendation (*recommandation d’ordre g n ral*).

The Consultative Committee on Financial Legislation and Regulations (*Comité consultatif de la législation et de la réglementation financières*) reviews, at the request of the French Minister of Economy, any draft bills or regulations, as well as any draft European regulations relating to the insurance, banking, electronic money, payment service and investment service industries other than those draft regulations issued by the AMF.

In addition, all French credit institutions are required to belong to a professional organisation or central body affiliated with the French Credit Institutions and Investment Firms Association (*Association française des établissements de crédit et des entreprises d'investissement*), which represents the interests of credit institutions, financing companies, electronic money institutions, payment institutions, asset management companies and investment firms in particular with the public authorities, provides consultative advice, disseminates information, studies questions relating to banking and financial services activities and makes recommendations in connection therewith. Crédit Agricole is a member of the French Banking Federation (*Fédération bancaire française*) which is itself affiliated with the French Credit Institutions and Investment Firms Association and the European Banking Federation (*Fédération Bancaire Européenne*).

### **Banking Regulations**

Credit institutions, such as the Issuer, must comply with minimum capital and leverage requirements, as well as several other obligations with respect to risk diversification, liquidity, restrictions on equity investments and reporting requirements. Banking regulations are mainly composed and/or derived from EU directives and regulations implementing the Basel III reforms:

- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended by Directive 2019/878/EU of the European Parliament and of the Council of 20 May 2019 amending such Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended or replaced from time to time, or, as the case may be, any implementation provision under French law (the “**CRD Directive**”); and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending such Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012, as amended or replaced from time to time (the “**CRR Regulation**” and together with the CRD Directive, “**CRD V**”).

Compliance with these and other requirements is monitored by the relevant Supervisory Banking Authorities pursuant to a comprehensive supervisory framework described below.

#### *Supervisory framework*

With respect to the banking sector, and for the purposes of carrying out the tasks conferred on it, the relevant Supervisory Banking Authority makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking



regulations. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions, as well as investment firms, and controls their financial standing.

Banks are required to submit periodic (either monthly or quarterly) accounting reports to the relevant Supervisory Banking Authority concerning the principal areas of their activities. The main reports and information filed by institutions with the relevant Supervisory Banking Authority include periodic regulatory reports. They include, among other things, the institutions' accounting and prudential filings, which are usually submitted on a quarterly basis, as well as internal audit reports filed once a year, all of the documents examined by the institution's management in its twice-yearly review of the business and operations and the internal audit findings and the key information that relates to the credit institution's risk analysis and monitoring. The relevant Supervisory Banking Authority may also request additional information that it deems necessary and may carry out on-site inspections (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements). These reports and controls allow close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use.

The relevant Supervisory Banking Authority may order financial institutions to comply with applicable regulations and to cease conducting activities that may adversely affect the interests of its clients. The relevant Supervisory Banking Authority may also require a financial institution to take measures to strengthen or restore its financial situation, improve its management methods and/or adjust its organisation and activities to its development goals. When a financial institution's solvency or liquidity, or the interests of its clients are or could be threatened, the relevant Supervisory Banking Authority is entitled to take certain provisional measures, including: submitting the institution to special monitoring and restricting or prohibiting the conduct of certain activities (including deposit-taking), the making of certain payments, the disposal of assets, the distribution of dividends to its shareholders, and/or the payment of variable compensation. The relevant Supervisory Banking Authority may also require credit institutions to maintain regulatory capital and/or liquidity ratios higher than those required under applicable law and submit to specific liquidity requirements, including restrictions in terms of asset/liability maturity mismatches.

Where regulations have been violated, the relevant Supervisory Banking Authority may impose administrative sanctions, which may include warnings, fines, suspension or dismissal of managers and deregistration of the bank, resulting in its winding up. The relevant Supervisory Banking Authority also has the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. Insolvency proceedings may be initiated against banks or other credit institutions, or investment firms only after prior approval of the relevant Supervisory Banking Authority.

### ***Minimum capital and leverage requirements***

#### ***Minimum capital requirements***

French credit institutions are required to maintain minimum capital to cover their credit, market, and operational risks, as well as certain other risks:

- Minimum capital ratio requirements: Pursuant to the CRR Regulation, credit institutions, such as the Crédit Agricole Group, are required to maintain a minimum total capital ratio of 8%, a minimum tier 1 capital ratio of 6% and a minimum common equity tier 1 ratio of 4.5%, each to be obtained by dividing the institution's relevant eligible regulatory capital by its total risk exposure (commonly referred to as risk-weighted assets) (Pillar 1 or "**PIR**")), subject to certain adjustments.

For this purpose, the “**eligible regulatory capital**” includes:

- common equity tier 1 capital (essentially, share capital, share premium and retained earnings), for purposes of the minimum common equity tier 1 ratio;
- common equity tier 1 capital plus additional tier 1 capital (deeply subordinated instruments meeting certain requirements), for purposes of the minimum tier 1 capital ratio; and
- tier 1 and tier 2 capital (subordinated instruments meeting certain requirements), for purposes of the minimum total capital ratio.

For purposes of calculating minimum capital ratios, the total risk exposure amount (or risk weighted assets or “**RWAs**”) includes amounts to take into account credit risk, market risk, operational risk and certain other risks. Risk-weighted assets of the various categories are calculated under either a standardised approach or using internal models approved by the Supervisory Banking Authority, or under a combination of the two approaches. See “Additional elements of the Basel III post crisis reform” below.

Pursuant to Article 104 of the CRD Directive, the Supervisory Banking Authority may also require French credit institutions to maintain additional capital in excess of the requirements described above (Pillar 2 or “**P2R**”) under the conditions set out in the CRD Directive, and in particular on the basis of a supervisory review and evaluation process (“**SREP**”) to be carried out by the competent authorities, designed to estimate the losses that a credit institution would incur in various “stress test” scenarios. The P2R is revised on an annual basis for each institution or group, although the Supervisory Banking Authority may revise the P2R at any time.

Under guidelines published by the European Banking Authority (“**EBA**”) addressed to competent authorities on common procedures and methodologies for the SREP which contained recommendations proposing a common approach to determine the amount and composition of additional capital requirements, competent authorities (i) should set a composition requirement for the additional capital requirements to cover certain risks of at least 56.25% common equity tier 1 capital and at least 75% tier 1 capital, and (ii) should not set additional capital requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements; and, accordingly the “combined buffer requirement” (described below) is in addition to the minimum capital requirement and to the additional capital requirement.

- Minimum capital buffer requirements: in accordance with the CRD Directive, French credit institutions must comply with certain common equity tier 1 buffer requirements, in addition to the minimum capital requirements P1R plus P2R). Pursuant to the CRD Directive, both the P1R and the P2R must be fulfilled before the common equity tier 1 capital is allocated to satisfy buffer requirements. However, in accordance with Article 104a of the CRD Directive, credit institutions are allowed to partially use capital instruments that do not qualify as common equity tier 1 capital, for example additional tier 1 or tier 2 instruments, to meet the P2R.

Unlike the minimum capital ratio requirements, failure to comply with the buffer requirements does not result in the potential withdrawal of a credit institution’s operating authorisation. Instead, if the buffer requirements are not met, a credit institution is subject to certain restrictions on the distribution of dividends, the payment of coupons and other amounts on additional tier 1 instruments, and the payment of certain variable employee compensation.

The buffer requirements include a capital conservation buffer of 2.5% that is applicable to all institutions, a buffer for global systemically important institutions of up to 3.5% that is applicable to global-systemically important banks (“**G-SIBs**”), such as the Crédit Agricole Group, and a buffer for other systemically important institutions of up to 3% that is applicable to other systemically important banks (“**O-SIBs**”), including the Crédit Agricole Group. Where a group, on a consolidated basis, is subject to a G-SIB buffer and an O-SIB buffer (such as the Crédit Agricole Group), the two generally are not cumulative, and the higher buffer generally applies.

French credit institutions also have to comply with other common equity tier 1 buffers to cover countercyclical and macro-prudential systemic risks. The institution-specific countercyclical capital buffer rate is the weighted average of the countercyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures of an institution are located or applied. The countercyclical capital buffer rate for the credit exposures located in France is established by the High Council for Financial Stability (*Haut Conseil de la Stabilité Financière* or “**HCSF**”). The countercyclical buffer rate for credit exposures in France is currently 0%. The HCSF has decided to raise the rate to 0.5% as from 7 April 2023, and to raise it to 1% as from 2 January 2024. In its latest decision, the HCSF informed market participants that it does not intend to further raise such rate in the next twelve months.

The sum of the capital conservation buffer, the G-SIBs buffer or the O-SIBs buffer (or the higher of the two), the countercyclical capital buffer(s) and the macro-prudential systemic risk buffer is called the “combined buffer requirement”.

#### *Minimum leverage requirements*

In addition to the minimum capital requirements, French credit institutions are required to maintain minimum leverage levels:

- Minimum leverage ratio requirements: in accordance with the CRR Regulation, each institution is required to maintain a 3% minimum leverage ratio, defined as an institution’s tier 1 capital divided by its total exposure measure. As of 31 March 2023, the Issuer’s phased-in leverage ratio was 5.4% and the Crédit Agricole Group’s phased-in leverage ratio was 3.7%.
- Minimum leverage buffer requirements: since 1 January 2023, each institution that is a G-SIB is required to comply with a buffer requirement, over and above the minimum leverage ratio, equal to the G-SIB total exposure measure used to calculate the leverage ratio multiplied by 50% of the applicable G-SIB buffer rate (*i.e.*, currently 1.0%).

As is the case with respect to the capital buffers, non-compliance with the G-SIB leverage buffer requirement will result in restrictions on the distribution of dividends, the payment of coupons and other amounts on additional tier 1 instruments and the payment of certain variable employee compensation.

#### *Additional elements of the Basel III post crisis reform*

The revised standards published by the Basel Committee on Banking Supervision on 7 December 2017 to finalize the Basel III post crisis reform also include the following elements: (i) a revised standardised approach for credit risk, intended to improve the robustness and risk sensitivity of the existing approach, (ii) revisions to the internal ratings-based approach for credit risk, where the use of the most advanced internally modelled approaches for low-default portfolios will be limited, (iii) revisions to the credit valuation adjustment framework, including the removal of the internally modelled approach and the introduction of a revised standardised

approach, (iv) a revised standardised approach for operational risk, which will replace the existing standardised approaches and the advanced measurement approaches and (v) an aggregate output floor, which will ensure that banks' risk-weighted assets generated by internal models are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardised approaches.

The implementation of the amendments to the Basel III framework within the European Union may go beyond the Basel Committee standards and provide for European specificities. Currently no firm conclusion regarding the impact of the revised standards on the future capital requirements and their impact on the capital requirements for the Issuer can be made. On 27 October 2021, the European Commission presented a legislative package to finalise the implementation of the Basel III standards within the European Union and announced that the new rules should apply as from 1 January 2025 to give banks and supervisors additional time to properly implement the reform in their processes, systems and practices. This package is composed of a legislative proposal to amend the CRD Directive, a legislative proposal to amend the CRR Regulation and a separate legislative proposal to amend the CRR Regulation in the area of resolution, and contains a number of amendments to existing rules applicable to credit institutions within the European Union: (i) first, it implements the final elements of the Basel III reforms, (ii) second, it introduces explicit rules on the management and supervision of environmental, social and governance (ESG) risks and gives supervisors powers to assess ESG risks as part of regular supervisory reviews (including regular climate stress testing by both supervisors and credit institutions) and (iii) third, it increases harmonisation of certain supervisory powers and tools. On 8 November 2022, the Council set its position on the proposals and in March 2023 commenced negotiations with the European Parliament to agree on final versions of the texts. On 27 June 2023, negotiations reached a provisional agreement which still needs to be confirmed by the Council and the European Parliament before it can be formally adopted.

***Additional risk diversification and liquidity, monetary policy, restrictions on equity investments and reporting requirements***

Under the CRR Regulation, French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain other exposures (*risques*) to a single customer (and related entities) may not exceed 25% of the credit institution's tier 1 capital and, with respect to exposures to certain financial institutions, the higher of 25% of the credit institution's eligible capital and €150 million. Certain individual exposures may be subject to specific regulatory requirements. In addition, G-SIB's exposures to other G-SIBs shall be limited to 15% of the G-SIB's tier 1 capital.

Pursuant to the CRR Regulation, institutions have to comply with a liquidity requirement pursuant to which they are required to hold liquid assets, the total value of which would cover the net liquidity outflows that might be experienced under stressed conditions over a period of thirty (30) calendar days. This requirement is known as the liquidity coverage ratio and is now fully applicable following a phase-in period. In addition, institutions are required to comply with a binding net stable funding ratio set at a minimum level of 100%, which indicates that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. This requirement, aims at avoiding excessive reliance on short-term wholesale funding and reducing long-term funding risk.

French credit institutions are subject to restrictions on equity investments and, subject to various specified exemptions for certain short-term investments and investments in financial

institutions and insurance companies, “qualifying shareholdings” held by credit institutions must comply with the following requirements: (a) no “qualifying shareholding” may exceed 15% of the regulatory capital of the concerned credit institution and (b) the aggregate of such “qualifying shareholdings” may not exceed 60% of the regulatory capital of the concerned credit institution. An equity investment is a “qualifying shareholding” for the purposes of these provisions if (i) it represents more than 10% of the share capital or voting rights of the company in which the investment is made or (ii) it provides, or is acquired with a view to providing, a “significant influence” in such company. Further, the ECB must authorise certain participations and acquisitions.

French regulations permit only licensed credit institutions to engage in banking activities on a regular basis. Similarly, institutions licensed as banks may not, on a regular basis, engage in activities other than banking, bank-related activities and a limited number of non-banking activities determined pursuant to the regulations issued by the French Minister of Economy. A regulation issued in November 1986 and amended from time to time sets forth an exhaustive list of such non-banking activities and requires revenues from those activities to be limited in the aggregate to a maximum of 10% of total net revenues.

Finally, the CRR Regulation imposes disclosure obligations on credit institutions relating to risk management objectives and policies, governance arrangements, capital adequacy requirements, remuneration policies that have a material impact on the risk profile and leverage. In addition, the French Monetary and Financial Code imposes additional disclosure requirements on credit institutions, including disclosure relating to certain financial indicators, their activities in non-cooperative states or territories, and more generally, certain information on their overseas operations.

### ***Deposit Guarantees***

All credit institutions operating in France are required by law to be a member of the deposit and resolution guarantee fund (*Fonds de garantie des dépôts et de résolution*), except branches of European Economic Area banks that are covered by their home country’s guarantee system. In accordance with Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (the “**Deposit Guarantee Scheme Directive**” or “**DGSD**”), as transposed under French law, domestic customer deposits denominated in euros and currencies of the European Economic Area are covered up to an amount of €100,000 and securities up to an aggregate value of €70,000, in each case per customer and per credit institution. The contribution of each credit institution is calculated on the basis of the aggregate deposits and of the risk exposure of such credit institution.

On 18 April 2023, the European Commission presented a legislative package to adjust and further strengthen the EU’s existing bank crises management and deposit insurance (CMDI) framework by amending the Deposit Guarantee Scheme Directive (together with the BRRD and the Single Resolution Mechanism Regulation – See “*Resolution*” below). The legislative package will now be discussed by the European Parliament and the Council.

### ***Additional Funding***

The governor of the *Banque de France*, as chairman of the ACPR, after requesting the opinion of the ACPR, and for significant banks, of the ECB, can request that the shareholders of a credit institution in financial difficulty fund the institution in an amount that may exceed their initial capital contribution. However, unless they have agreed to be bound by an express undertaking to the ACPR, credit institution shareholders have no legal obligation in this respect and, as a

practical matter, such a request would likely be made to holders of a significant portion of the institution's share capital.

### ***Internal Control Procedures***

French credit institutions are required to establish appropriate internal control systems, including with respect to risk management and the creation of appropriate audit trails. French credit institutions are required to have a system for analysing and measuring risks in order to assess their exposure to credit, market, global interest rate, intermediation, liquidity and operational risks. Such system must set forth criteria and thresholds allowing the identification of significant incidents revealed by internal control procedures. Any fraud generating a gain or loss of a gross amount superior to 0.5% of the common equity tier 1 capital is deemed significant provided that such amount is greater than €10,000.

With respect to credit risks, each credit institution must have a credit risk selection procedure and a system for measuring credit risk that permit, *inter alia*, centralisation of the institution's on- and off-balance sheet exposure and for assessing different categories of risk using qualitative and quantitative data. With respect to market risks, each credit institution must have systems for monitoring, among other things, its proprietary transactions that permit the institution to record on at least a day-to-day basis foreign exchange transactions and transactions in the trading book, and to measure on at least a day-to-day basis the risks resulting from trading positions in accordance with the capital adequacy regulations. The institution must prepare an annual report for review by the institution's board of directors and the relevant Supervisory Banking Authority regarding the institution's internal procedures and the measurement and monitoring of the institution's exposure.

### ***Compensation Policy***

French credit institutions and investment firms are required to ensure that their compensation policy is compatible with sound risk management principles. The variable component of the total compensation of employees whose activities may have a significant impact on the institution's risk exposure should reflect a sustainable and risk-adjusted performance and a significant fraction of this performance-based compensation must be non-cash and deferred. Under the CRD Directive as implemented under French law, the aggregate amount of variable compensation of the above-mentioned employees cannot exceed the aggregate amount of their fixed salary; the shareholders' meeting may, however, decide to increase this cap to two times their fixed salary.

### ***Money Laundering***

French credit institutions are required to report to a special government agency (TRACFIN) placed under the authority of the French Minister of Economy all amounts registered in their accounts that they suspect come from drug trafficking or organized crime, from unusual transactions in excess of certain amounts, as well as all amounts and transactions that they suspect to be the result of any offense punishable by a minimum sentence of at least one-year imprisonment or that could participate in the financing of terrorism.

French credit institutions are also required to establish "know your customer" procedures allowing identification of the customer (as well as the beneficial owner) in any transaction and to have in place systems for assessing and managing money laundering and terrorism financing risks ("AML/CFT") in accordance with the varying degree of risk attached to the relevant clients and transactions.

On 20 July 2021, the European Commission adopted a package of measures, including inter alia a proposal for a regulation establishing a new EU-level AML/CFT authority (the “AML Authority”), which is intended to be the central authority coordinating national authorities to ensure a consistent application of EU AML/CFT rules and to support financial intelligence units such as TRACFIN. The Council has agreed its partial position on the proposal on 29 June 2022. Following the adoption on 28 March 2023 by the Economic and Monetary Affairs committee and the Civil Liberties, Justice and Home Affairs committee of their position on the main pieces of this package, the European Parliament is ready to start negotiations with the Council. The Commission initially anticipated that the AML Authority will be established in 2023 with a view to starting most of its activities in 2024 and beginning direct supervision of certain financial entities in 2026.

## **Resolution**

The BRRD and the Single Resolution Mechanism Regulation together establish an EU-wide framework for the recovery and resolution of credit institutions and investment firms. Implemented under French law, this framework, which includes measures to prevent and resolve banking crises, is aimed at preserving financial stability, ensuring the continuity of critical functions of institutions whose failure would have a significant adverse effect on the financial system, protecting depositors and avoiding, or limiting to the extent possible, the need for extraordinary public financial support. To this end, European resolution authorities, including the Single Resolution Board, have been given broad powers to take any necessary actions in connection with the resolution of all or part of a credit institution or the group to which it belongs.

On 18 April 2023, the European Commission presented a legislative package to adjust and further strengthen the EU’s existing bank crisis management and deposit insurance (CMDI) framework by amending the BRRD and the Single Resolution Mechanism Regulation (together with the DGSD – See “*Deposit Guarantees*” above). The legislative package will now be discussed by the European Parliament and the Council. If implemented as proposed, senior preferred debt instruments (such as senior preferred notes, including the Bonds) could no longer rank *pari passu* with any deposits of the Issuer; instead, senior preferred debt instruments (such as senior preferred notes, including the Bonds) would rank junior in right of payment to the claims of all depositors.

### *Resolution Measures*

The Relevant Resolution Authority (see “The Resolution Authority” above) may commence resolution procedures in respect of a French institution when the Relevant Resolution Authority determines that:

- the institution is failing or likely to fail (on the basis of objective elements as per Article 32(4) of BRRD);
- there is no reasonable prospect that another action will prevent the failure within a reasonable time; and
- a resolution measure is required, and a liquidation procedure would fail, to achieve the objectives of the resolution as described above.

Pursuant to Article 32(4) of BRRD, failure of an institution means that (i) it does not respect requirements for continuing authorisation, (ii) it is unable to pay its debts or other liabilities when they fall due, (iii) it requires extraordinary public financial support (subject to limited exceptions which apply when, in order to remedy a serious disturbance in the economy and

preserve financial stability, extraordinary public financial support is provided to solvent institutions, subject to final approval under the Union State aid framework), or (iv) the value of its liabilities exceeds the value of its assets.

After resolution procedures are commenced, the Relevant Resolution Authority may use one or more of several resolution tools with a view to recapitalizing or restoring the viability of the institution, as described below.

#### *Write-Down and conversion powers of the Relevant Resolution Authority*

If the conditions for initiating a resolution proceeding of an institution are met, the Relevant Resolution Authority may be required to write-down common equity tier 1, additional tier 1 and tier 2 instruments (together, the “**Capital Instruments**”) or convert them to equity prior to the opening of a resolution proceeding or without a resolution proceeding. Once resolution proceedings are initiated, the Relevant Resolution Authority may use the “bail-in” resolution tool (the “**Bail-in Tool**”) to write-down or convert to equity any remaining Capital Instruments and any Eligible Liabilities (as defined below), to the extent necessary to restore the financial condition of the institution. The write-down and conversion powers and the Bail-in Tool are to be implemented so that losses are borne in the order of their claims in normal insolvency proceedings, subject to certain exceptions. As a consequence, losses are to be borne initially by holders of Capital Instruments qualifying as common equity tier 1 instruments, then holders of Capital Instruments qualifying as additional tier 1 instruments, then holders of Capital Instruments qualifying as tier 2 instruments, and thereafter creditors. French law also provides for certain safeguards, including the “no creditor worse off than under normal insolvency proceedings” principle, whereby creditors of the institution under resolution should not incur greater losses than they would have incurred had the institution been wound up under a liquidation proceeding.

If the conditions for initiating a resolution proceeding in respect of the Cr dit Agricole Group (including the Issuer) were to be met (or in certain other circumstances described below), it is likely that there would be a significant impact on the securities:

- The write-down powers would initially be applied to common equity tier 1 instruments, including the shares of the Issuer, as well as cooperative shares, cooperative associate certificates (CCA) and cooperative investment certificates (CCI) of the Regional Banks.
- If this were insufficient, the deeply subordinated debt instruments qualifying as additional tier 1 capital would be subject to write-down or conversion to equity. However, additional tier 1 instruments issued after 28 December 2020 change their ranking if they no longer fully qualify as additional tier 1 instruments. Accordingly, if the deeply subordinated debt instruments no longer fully qualify as additional tier 1 instruments (for example, due to a change in regulation), they will instead be treated in resolution as tier 2 instruments, if they fully qualify as such, or as Other Subordinated Obligations, otherwise.
- If the write-down or conversion of additional tier 1 instruments is insufficient, then the subordinated debt instruments qualifying as tier 2 capital would be subject to write-down or conversion. However, tier 2 instruments issued after 28 December 2020 change their ranking if they no longer fully qualify as tier 2 instruments. Accordingly, if the subordinated debt instruments no longer qualify as tier 2 instruments (for example, due to a change in regulation), they will instead be treated in resolution as Other Subordinated Obligations.



Further, if a resolution proceeding is initiated in respect of the Cr dit Agricole Group (including the Issuer) and the write-down or conversion of Capital Instruments is insufficient, then the Bail-in Tool will be applied to write-down any remaining Capital Instruments and Eligible Liabilities in the order of their claims in an ordinary insolvency proceeding. Accordingly, the Bail-in Tool would be applied, first, to write-down or convert any remaining Capital Instruments, then to write-down or convert to equity any deeply subordinated debt instruments or subordinated debt instruments issued after 28 December 2020 that no longer fully qualify as additional tier 1 and/or tier 2 instruments (pro rata with any other instruments of the same ranking), then to write-down or convert to equity the senior non-preferred debt instruments (pro rata with any other instruments of the same ranking), and then to write-down or convert to equity the senior preferred debt instruments (pro rata with any other instruments of the same ranking).

Further detail on the operation of the write-down and conversion powers, the Bail-in Tool and the possible change in ranking of additional tier 1 and tier 2 instruments issued after 28 December 2020 are provided below.

#### *Write-Down and Conversion of Capital Instruments*

Capital Instruments may be written-down or converted to equity or other instruments either in connection with (but prior to) the opening of a resolution procedure, or in certain other cases described above (without a resolution procedure). As defined above, Capital Instruments for these purposes include common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments.

The Relevant Resolution Authority must write-down Capital Instruments, or convert them to equity or other instruments, if it determines that the conditions for the initiation of a resolution procedure have been satisfied, the viability of the issuing institution or its group depends on such write-down or conversion, or the issuing institution or its group requires extraordinary public support (subject to certain exceptions). The principal amount of Capital Instruments may also be written-down or converted to equity or other instruments if (i) the issuing institution or the group to which it belongs is failing or likely to fail and the write-down or conversion is necessary to avoid such failure, (ii) the viability of the institution depends on the write-down or conversion (and there is no reasonable perspective that another measure, including a resolution measure, could avoid the failure of the issuing institution or its group in a reasonable time), or (iii) the institution or its group requires extraordinary public support (subject to certain exceptions). The failure of an issuing institution is determined in the manner described above. The failure of a group is considered to occur or be likely if the group breaches its consolidated capital ratios or if such a breach is likely to occur in the near term, based on objective evidence (such as the incurrence of substantial losses that are likely to deplete the group's own funds).

If one or more of these conditions is met, common equity tier 1 instruments are first written-down, transferred to creditors or, if the institution enters in resolution and its net assets are positive, significantly diluted by the conversion of other Capital Instruments and Eligible Liabilities. Once this has occurred, other Capital Instruments (first additional tier 1 instruments, then tier 2 instruments) are either written-down or converted to common equity tier 1 instruments or other instruments (which are also subject to possible write-down).

#### *The Bail-in Tool*

Once a resolution procedure is initiated, the Relevant Resolution Authority may use the “**Bail-in Tool**” to write-down or convert to common equity or other instruments any Capital

Instruments that remain outstanding at the time the Bail-in Tool is applied. If this is insufficient, the Bail-in Tool is applied to Eligible Liabilities of a credit institution in resolution.

The Relevant Resolution Authority may exercise the Bail-in Tool as follows:

- Capital instruments that remain outstanding at the time the Bail-in Tool is applied (see “*Write-Down and Conversion of Capital Instruments*” above) must first be written-down or converted to equity or other instruments, in the following order of priority: (i) common equity tier 1 instruments are to be written-down first (including common equity tier 1 instruments into which the deeply subordinated debt instruments and the subordinated debt instruments were previously converted), (ii) additional tier 1 instruments issued before 28 December 2020 and additional tier 1 instruments issued after 28 December 2020 so long as they remain totally or partly qualified as such are to be written-down or converted into common equity tier 1 instruments and (iii) tier 2 instruments issued before 28 December 2020 and tier 2 instruments issued after 28 December 2020 so long as they remain totally or partly qualified as such are to be written-down or converted to common equity tier 1 instruments.
- next, the Bail-in Tool may be used to write-down or convert Eligible Liabilities in the following order of priority: (i) subordinated debt instruments not qualifying as Capital Instruments (such as deeply subordinated debt instruments and subordinated debt instruments issued after 28 December 2020 if and when they are fully excluded from additional tier 1 capital and/or tier 2 capital, as applicable) are to be written-down or converted into common equity tier 1 instruments and (ii) any other Eligible Liabilities are to be written-down or converted into common equity tier 1 instruments, in each case in accordance with the hierarchy of claims in normal insolvency proceedings. In this regard, unsecured senior non-preferred debt instruments would be written-down or converted to equity before any Senior Preferred Obligations (such as the Bonds) of the Issuer. Instruments of the same ranking are generally written-down or converted into equity on a pro rata basis.

#### *Implementation of Article 48(7) of BRRD under French law*

Article 48(7) of the BRRD provides that EEA Member States shall ensure that all claims resulting from own funds (capital) instruments have, in normal insolvency proceedings, a lower priority ranking than any claim that does not result from own funds instruments.

French law implementing Article 48(7) of the BRRD (Article L. 613-30-3-I-5 ° of the French Monetary and Financial Code) provides that among the subordinated creditors, creditors in respect of any securities, claims, instruments or subordinated rights which are not, or have not been before 28 December 2020, treated as additional tier 1 instruments or tier 2 instruments shall rank senior to creditors in respect of any securities, claims, instruments or subordinated rights which are, or have been before 28 December 2020, treated as additional tier 1 instruments or tier 2 instruments, fully or partly.

Consequently, any deeply subordinated debt instruments issued after 28 December 2020 will, if they are no longer fully recognised as additional tier 1 Capital, change ranking so they will rank senior to the deeply subordinated debt instruments issued before 28 December 2020. If they qualify as tier 2 capital, they will rank equally with tier 2 instruments. Otherwise, they will rank equally with the Issuer’s other subordinated obligations. Similarly, the subordinated debt instruments issued after 28 December 2020 which no longer constitute, fully or partly, tier 2 capital will change ranking so they will rank equally with the Issuer’s other subordinated obligations.

### *Extended SPE Strategy*

The Issuer understands that the Relevant Resolution Authority would likely apply the “extended single point of entry” (the “**extended SPE**”) strategy if a resolution procedure were commenced in respect of the Cr dit Agricole Group – as for any other European cooperative banking group.

Under the extended SPE strategy, resolution measures would be applied simultaneously to Cr dit Agricole S.A. (in its capacity as central body of the Cr dit Agricole Network) and each institution that is part of the Cr dit Agricole Network, as if all entities in the Cr dit Agricole Network were to constitute a single entity. As a result, the write-down and conversion powers of the Relevant Resolution Authority would be applied across entities, on a *pro rata* basis to all of their Capital Instruments and Eligible Liabilities. The securities of each ranking (*i.e.*, deeply subordinated debt instruments, subordinated debt instruments, senior non-preferred debt instruments and senior preferred debt instruments) would thus be subject to write-down and conversion on a *pro rata* basis with instruments of equivalent ranking of other entities in the Cr dit Agricole Network. Similarly, the bail-in power would be applied on a *pro rata* basis across entities in the Cr dit Agricole Network, so that bail-in would be applied to securities of a relevant ranking (deeply subordinated, subordinated, senior non-preferred or senior preferred) on a *pro rata* basis with instruments of the same ranking of other entities in the Cr dit Agricole Network.

As a consequence, if the Cr dit Agricole Group were to encounter financial difficulties and meet the criteria for the application of the write-down and conversion powers or the bail-in powers, the application of these powers to the securities of the various ranking categories could have either a greater or lesser impact than if the same powers were applied to the Issuer on a stand-alone basis

### **Other Implications of Resolution Proceedings**

#### *Limitation on Enforcement*

Certain crisis prevention measures and crisis management measures, including the opening of a resolution procedure in respect of the Cr dit Agricole Group (including the Issuer), as well as the suspension of payment or delivery obligations decided by the Relevant Resolution Authority under certain conditions, may not by themselves give rise to a contractual enforcement right against the Issuer or the right to modify the Issuer’s obligations, so long as the Issuer continues to meet its substantive obligations, including payment and delivery obligations.

Accordingly, if a resolution procedure were commenced in respect of the Cr dit Agricole Group (including the Issuer), holders of the securities (including the Bonds) will not have the right to take enforcement actions or to modify the terms of the securities (including the Bonds) so long as the Issuer continues to meet its substantive obligations, including payment and delivery obligations, although such rights are in any event limited by the absence of events of default under the such securities (including the Bonds), for which these limitations will impact acceleration or enforcement rights.

#### *Other resolution measures*

The Relevant Resolution Authority is provided with broad powers to implement other resolution measures with respect to failing institutions or, under certain circumstances, their groups, which may include (without limitation): the total or partial sale of the institution’s business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the

terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal and/or replacement of directors and/or managers or the appointment of a temporary administrator (*administrateur spécial*) and the issuance of new equity or own funds.

When using its powers, the Relevant Resolution Authority must take into account the situation of the concerned group or institution under resolution, in accordance with the principles described above, and potential consequences of its decisions in the concerned EEA Member States.

#### *Recovery and resolution plans*

Each institution or group must prepare a recovery plan (*plan préventif de rétablissement*) that will be reviewed by the Supervisory Banking Authority. Entities already supervised on a consolidated basis are not subject to this obligation on an individual basis as they must prepare a group recovery plan to be reviewed by the Supervisory Banking Authority. The Relevant Resolution Authority is in turn required to prepare a resolution plan (*plan préventif de résolution*) or a group resolution plan (*plan préventif de résolution de groupe*) for such institution or group:

- a) recovery plans must set out measures contemplated in case of a significant deterioration of an institution's financial situation. Such plans must be updated on a yearly basis (or immediately following a significant change in an institution's organisation or business). The Supervisory Banking Authority must assess the recovery plan to determine whether the implementation of the arrangements proposed is reasonably likely to maintain or restore the viability and financial position of the institution or of the group, also review whether the plan could impede the resolution powers if a resolution is commenced, and, as necessary, can require modifications or request changes in an institution's organisation.
- b) resolution plans prepared by the Relevant Resolution Authority must provide for the resolution actions which the resolution authority may take where the institution meets the conditions for resolution and set out, in advance of any failure, how the various resolution powers set out above are to be implemented for each institution, given its specific circumstances. Such plans must also be updated on a yearly basis (or immediately following a significant change in an institution's organisation or business).

#### ***The Single Resolution Fund***

Pursuant to the Single Resolution Mechanism Regulation, a single resolution fund has been established to be used by the Single Resolution Board to support resolution plans (the “**Single Resolution Fund**”). This Single Resolution Fund is financed by contributions raised from banks (such contributions are based on the amount of each bank's liabilities, excluding own funds and covered deposits, and adjusted for risks), with the objective to reach at least 1% of covered deposits by 31 December 2023. In July 2022, the Single Resolution Fund had approximately €66 billion available.

#### **MREL and TLAC**

Under the CRD Directive, the BRRD and the Single Resolution Mechanism Regulation, credit institutions are required to maintain a “minimum requirement of own funds and eligible liabilities” or “**MREL**.” In addition, “**TLAC**” (or “total loss-absorbing capacity”) requirements apply to G-SIBs, including the Crédit Agricole Group.

The objective of MREL and TLAC is to ensure the effectiveness of the Bail-In Tool if it is ever needed, and thus enable a full absorption of losses and a full reconstitution of the credit

institution's own funds restoring compliance with P1R, P2R and the leverage ratio requirement, subject to potential adjustments to, inter alia, meet resolution objectives and secure market access. See “*Resolution Measures*” above.

- The TLAC requirements are intended to ensure that losses are absorbed by shareholders and creditors, other than creditors in respect of excluded liabilities, rather than being borne by government support systems. They require that G-SIBs maintain significant amounts of liabilities that are subordinated (by law, contract or structurally) to certain priority liabilities that are excluded from the TLAC, such as guaranteed or insured deposits and derivatives.

Under Article 92a of the CRR Regulation, G-SIBs are required to comply with two Minimum TLAC requirements in an amount at least equal to (i) 18% of the total risk exposure, and (ii) 6.75% of the total exposure measure (each of which could be extended by additional firm-specific requirements or buffer requirements) (*i.e.*, the “**Pillar 1 subordinated MREL requirement**”).

- The BRRD and the Single Resolution Mechanism Regulation also provide that European resolution authorities shall be able, on the basis of bank-specific assessments, to require that G-SIBs comply with a supplementary institution-specific requirement known as the “MREL add-on”, corresponding to a minimum level of own funds and eligible liabilities calculated as a percentage of their total risk exposure amount and their total exposure measure based on certain criteria including systemic importance (*i.e.*, the “**Pillar 2 add-on subordinated MREL requirement**”).

The deadline for institutions to comply with the MREL add-on is 1 January 2024, unless the European resolution authorities set a longer transitional period on the basis of criteria set forth in the BRRD. European resolution authorities may, in addition, determine an appropriate transitional period to reach the final MREL add-on.

In addition, in accordance with Article 16a of the BRRD and Article 10a of the Single Resolution Mechanism Regulation, resolution authorities have the power to limit distributions (including coupon payments on additional tier 1 instruments such as the deeply subordinated debt instruments, so long as they constitute, fully or partly, additional tier 1 capital) and variable compensation to certain employees, in case of non-compliance with the combined buffer requirement above the applicable minimum MREL requirements, subject to a nine-month grace period during which such restrictions would not be triggered.

The CRR Regulation and the BRRD provide certain eligibility criteria for debt securities to count towards TLAC and MREL of the issuing institution. In addition, the CRR Regulation also allows liabilities that rank *pari passu* with certain TLAC excluded liabilities (such as senior preferred debt instruments) to count, under certain circumstances, towards the minimum TLAC requirements of their issuing institution in an amount up to 3.5%. Such liabilities may also count towards the total MREL ratio, but not towards the TLAC ratio and the subordinated MREL ratio.

In addition, Article L.613-30-3-I-4 ° of the French Monetary and Financial Code allow French credit institutions to issue “senior non preferred” debt instruments that are designed to be eligible to count towards TLAC and MREL, subject to certain additional requirements defined in the CRR Regulation. Pursuant to Article L.613-30-3-I-4 ° of the French Monetary and

Financial Code, debt securities issued by any French credit institution, with an initial maturity of at least one year, which are “non-structured” (as defined in Article R.613-28 of the French Monetary and Financial Code) and whose terms and conditions provide that their ranking is as set forth in Article L.613-30-3-I-4°, shall rank junior to any other non-subordinated liability (including the Senior Preferred Notes) of such credit institution in a judicial liquidation proceeding but senior to any subordinated obligations including but not limited to, the subordinated debt instruments and the deeply subordinated debt instruments issued on or after 28 December 2020 whose principal and interest have been fully excluded from additional tier 1 capital and/or tier 2 capital, as applicable (see “*Implementation of Article 48(7) of BRRD under French law*” above).

### **Statutory Financial Support Mechanism**

The resolution framework described above does not affect the statutory financial support mechanism provided for in Article L. 511-31 of the French Monetary and Financial Code and applicable to the institutions that are part of the “Crédit Agricole Network” as defined in Article R. 512-18 of the same code – (*i.e.*, the Regional Banks, the Local Banks, the Issuer (as central body) and its affiliated members which are, as of the date hereof, Crédit Agricole Corporate and Investment Bank and BforBank).

This statutory financial support mechanism requires the Issuer, as the central body of the Crédit Agricole Network, to take any necessary action to guarantee the liquidity and solvency of each member of the Crédit Agricole Network and of the Crédit Agricole Network as a whole. Each member or affiliate of the Crédit Agricole Network benefits from this statutory financial support mechanism and contributes thereto.

The general provisions of the French Monetary and Financial Code related to the financial support mechanism have been supplemented by internal rules that provide for operational measures to be deployed in the context of the statutory financial support mechanism. In particular, these measures include the Guarantee Fund established to assist the Issuer in exercising its role as central body of the Crédit Agricole Network and to enable it to take action with respect to members or affiliates of the Crédit Agricole Network that may encounter financial difficulties.

The Issuer believes that, in practice, the statutory financial support mechanism would be exercised prior to the implementation of any resolution measures. The commencement of a resolution procedure with respect to the Crédit Agricole Group would thus imply that the statutory financial support mechanism was insufficient to address the failure of one or more members or affiliate of the Crédit Agricole Network, and hence of the Crédit Agricole Network as a whole.

In addition, the Regional Banks guarantee, jointly and severally, through the 1988 Guarantee, all of the obligations of the Issuer to third parties, should the assets of the Issuer be insufficient after its liquidation or dissolution. The potential liability of the Regional Banks under the 1988 Guarantee is equal to the aggregate of their share capital, reserves and retained earnings. However, the application of the resolution regimes to the Crédit Agricole Group is likely to limit the cases in which a demand for payment may be made under the 1988 Guarantee, insofar as the statutory financial support mechanism would be applied before a resolution procedure is

commenced and resolution measures would diminish the risk of liquidation or dissolution of the Issuer.

## **2. BASEL III PILLAR 3 REGULATION**

Within the framework of Basel III agreements, CRR requires relevant financial institutions (notably credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities.

Basel III agreements are categorised into three pillars:

- Pillar 1 sets the minimum capital adequacy requirements and level of ratios in accordance with the current regulatory framework;
- Pillar 2 completes the regulatory approach with the quantification of a capital requirement covering the major risks to which the bank is exposed, on the basis of internal approaches;
- Pillar 3 introduces standards for financial disclosure to the market, with the requirement to give details of the regulatory capital components and risk assessments, both for the regulations applied and the business during the period.

The Issuer and Crédit Agricole Group have chosen to disclose their Pillar 3 information in a separate section from Risk Factors in order to isolate the items that meet the regulatory prudential publication requirements.

The main purpose of solvency management is to assess the equity of the Issuer and Crédit Agricole Group and to verify that this is sufficient to cover the risks to which the Issuer and Crédit Agricole Group is or could be exposed, given their respective activities. The objective is to secure their respective customers' deposits and allow the Group access to the financial markets under the desired conditions.

To achieve this objective, the Group measures regulatory capital requirements (Pillar 1) and conducts regulatory capital management, by relying on both short- and medium-term prospective measures that are consistent with the budgetary projections, based on a central economic scenario. Moreover, the Group relies on an internal process, named ICAAP (Internal Capital Adequacy and Assessment Process).

Tightening up the regulatory framework, Basel III agreements enhanced the quality and level of regulatory capital required and added new risk categories to the regulatory framework. The legal framework is constituted in particular by the CRD V package (as transposed into French law as the case may be).

### **Indicators and Regulatory Ratios**

The indicators and regulatory ratios of the Issuer and of Crédit Agricole Group set out below are all in compliance with the minimum regulatory requirements.

#### ***Solvency ratios***

Overall under Basel III, three levels of solvency ratio are calculated:

- the common equity tier 1 (CET1) ratio;

- the tier 1 (T1) ratio;
- the total capital ratio

These ratios are to be phased-in so that the transition from the Basel 2 calculation rules to the Basel III rules can be handled progressively up to 1 January 2018 (and up to 1 January 2022 for hybrid debt instruments).

Two other families of ratios are added to this system: the leverage ratio and the resolution ratios. Each of these ratios links an amount of regulatory capital to a risk exposure. The minimum requirements applicable to the Issuer and Crédit Agricole Group are complied with.

The following table shows the regulatory capital of the Issuer (simplified version).

(in billions of euros except percentages)	As at 31 December						As at 31 March	
	2020		2021		2022		2023	
	Phased-in	Fully loaded	Phased-in	Fully loaded	Phased-in	Fully loaded	Phased-in	Fully loaded
Common equity tier 1 (CET1) capital	44.2	43.3	44.9	43.7	40.6	39.9	42.7	—
Additional tier 1 capital	5.8	4.2	4.9	3.2	6.3	4.5	7.4	—
Tier 1 capital	50.0	47.5	49.8	46.9	46.9	44.4	50.2	—
Tier 2 capital	14.5	14.4	17.2	14.8	16.2	14.4	15.7	—
Total capital	64.5	61.9	67.0	61.7	63.1	58.7	65.9	—
Total risk weighted assets	336.0	335.5	377.4	376.9	361.3	361.0	368.1	—
CET1 ratio	13.1%	12.9%	11.9%	11.6%	11.2%	11.0%	11.6%	11.5%
Tier 1 ratio	14.9%	14.2%	13.2%	12.5%	13.0%	12.3%	13.6%	—
Total capital ratio	19.2%	18.5%	17.7%	16.4%	17.5%	16.3%	17.9%	—

The following table shows the regulatory capital of Crédit Agricole Group (simplified version).

(in billions of euros except percentages)	As at 31 December						As at 31 March	
	2020		2021		2022		2023	
	Phased-in	Fully loaded	Phased-in	Fully loaded	Phased-in	Fully loaded	Phase d-in	Fully loaded
Common equity tier 1 (CET1) capital	96.9	95.1	102.7	100.5	100.9	99.1	102.9	—
Additional tier 1 capital	5.8	4.1	4.9	3.2	6.2	4.4	7.4	—
Tier 1 capital	102.7	99.2	107.5	103.7	107.1	103.5	110.3	—
Tier 2 capital	15.6	15.5	17.8	15.4	17.0	15.1	16.5	—
Total capital	118.3	114.8	125.3	119.1	124.0	118.6	126.8	—
Total risk weighted assets	562.1	561.5	585.4	584.8	574.6	574.4	584.3	—
CET1 ratio	17.2%	16.9%	17.5%	17.2%	17.6%	17.2%	17.6%	17.4%



Tier 1 ratio	18.3%	17.7%	18.4%	17.7%	18.6%	18.0%	18.9%	—
Total capital ratio	21.1%	20.4%	21.4%	20.4%	21.6%	20.7%	21.7%	—

### ***Liquidity***

Since March 2014, Eurozone credit institutions have been obliged to report to their supervisory authorities their Liquidity Coverage Ratio (LCR), as defined by the EBA (European Banking Authority). The aim of the LCR is to boost the short-term resilience of banks' liquidity risk profile by ensuring that they have 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. Since 1 October 2015, this ratio has been limited to a minimum threshold for credit institutions. This was 60% at end-2015, 70% on 1 January 2016, and was increased to 80% on 1 January 2017. This minimum threshold is set at 100% since 1 January 2018. Crédit Agricole Group, like most European banking groups, already manages its LCR with a target of more than 100%.

The average LCR ratios over 12-month for the Group and the Issuer were 167.3% and 147.9% as at 31 December 2022, respectively. They amounted to 162.6% and 147.2%, respectively, for the Group and the Issuer at end March 2023. They exceeded the Medium-Term Plan target of around 110%.

As at 31 December 2022, the end-of-period LCR ratios were 167.6% for the Group and 162.7% for the Issuer, respectively. The end of period LCR ratios at 31 March 2023 were respectively 158.4% for Crédit Agricole Group and 154.2% for the Issuer.

In the context of the Covid-19 health crisis, the high level of the LCR ratios of the Crédit Agricole Group and the Issuer is in line with the Group's use of TLTRO 3 drawdowns through the ECB.

In addition, since 28 June 2021, Eurozone credit institutions have been obliged to report to their supervisory authorities their Net Stable Funding Ratio (NSFR), as defined by the EBA (European Banking Authority). The NSFR is intended to ensure that the institution has sufficient "stable" resources (i.e. with an initial maturity greater than one year) to finance its medium-to-long-term assets.

The NSFR of Crédit Agricole Group and the Issuer exceeded 100%, in accordance with the regulatory requirement applicable since 28 June 2021 and above the Medium-Term Plan target (>100%).

### ***Financial conglomerate ratio***

The conglomerate ratio is defined as the ratio of the phased-in total conglomerate own funds to the sum of banking and insurance capital requirements:

- a restatement is made in both the numerator and the denominator for the intragroups related to equity investments;
- the financial conglomerate's own funds include the insurance subsidiary's own funds raised outside of the consolidation scope;

- the denominator includes the banking and insurance activities according to their respective regulatory solvency requirements, thus taking into account the actual specific risks related to each of these two business sectors.

$$\text{Financial conglomerate ratio} = \frac{\text{Total Conglomerate Own Funds}}{\text{Banking requirements} + \text{Insurance requirements}} > 100\%$$

The “conglomerate” view is the most relevant for a bancassurance group. The conglomerate combines banks and insurance companies. Moreover, the conglomerate ratio reflects the actual risks borne by each of the two activities. Therefore, the conglomerate ratio view is economic, whereas the bank solvency ratio treats insurance as an equity investment. The conglomerate ratio must at all times be greater than 100%. The 100% threshold remains a binding requirement, the non-compliance with which would be detrimental: in the event of non-compliance or risk of non-compliance with the financial position of a conglomerate, the necessary measures must be taken to remedy the situation as soon as possible (according to the European FICOD Directive 2002/87).

As at 31 December 2022, the Issuer’s and the Group’s phased-in financial conglomerate ratio, which includes the Solvency 2 requirement for the equity investment in Crédit Agricole Assurances, was 156% and 170%, respectively, far above the minimum regulatory requirement of 100%. The level of the Issuer’s and the Group’s financial conglomerate ratio as at 31 December 2022 corresponds to a surplus of own funds of the financial conglomerate of the Issuer (€30.5 billion) and the Group (€60.1 billion), respectively. This situation follows logically from compliance with the solvency requirements of each of the two sectors, banking and insurance.

As at 31 December 2021, the Issuer’s and the Group’s phased-in financial conglomerate ratio, which includes the Solvency 2 requirement for the equity interest in Crédit Agricole Assurances, was 166% and 175%, respectively, far above the minimum regulatory requirement of 100%. The level of the Issuer’s and the Group’s financial conglomerate ratio as at 31 December 2021 corresponds to a surplus of own funds of the financial conglomerate of the Issuer (€35.4 billion) and the Group (€63.3 billion), respectively. This situation follows logically from compliance with the solvency requirements of each of the two sectors, banking and insurance.

As at 31 December 2020, the Issuer’s and the Group’s phased-in financial conglomerate ratio, which includes the Solvency 2 requirement relating to the equity interest in Crédit Agricole Assurances, was 178% and 170%, respectively. The ratio included the consideration of the French Decree of 24 December 2019 authorising the integration of the Policyholder Participation Reserve (PPE) in the equity of insurance companies, up to the amount required to cover the risks borne by the insurance company (Solvency Capital Requirement, or SCR). The level of the Issuer’s and the Group’s financial conglomerate ratio as at 31 December 2020 corresponds to a surplus of own funds of the financial conglomerate of the Issuer (€35 billion)

and the Group (€56 billion), respectively. This situation follows logically from compliance with the solvency requirements of each of the two sectors, banking and insurance.

### ***Leverage ratio***

The objective of the leverage ratio is to help preserve financial stability by acting as a safety net to supplement risk-based capital requirements and by limiting the accumulation of excessive leverage in times of economic recovery. The Basel Committee, in the context of the Basel III agreements, defined the leverage ratio rule, which was transposed into European law via Article 429 of the CRR, amended by Delegated Act 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 exposure measure, i.e. balance sheet and off-balance-sheet assets after certain restatements of derivatives, transactions between Group affiliates, securities financing transactions, items deducted from the numerator, and off-balance-sheet items.

Since the publication of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019, amending CRR in the Official Journal of the European Union on 7 June 2019, the leverage ratio has been subject to a minimum Pillar 1 requirement applicable as from 28 June 2021:

- the minimum leverage ratio requirement is 3%;
- since 1 January 2023, a leverage ratio buffer, defined as half of the entity's systemic buffer, i.e. 0.5% for the Crédit Agricole Group, has been added to this level for global systemically important institutions (G-SII), i.e. for the Group;
- lastly, failure to comply with the leverage ratio buffer requirement will result in a distribution restriction and the calculation of a maximum distributable amount (L-MDA).

Regulation CRR stipulates that certain Central Bank exposures may be excluded from the overall leverage ratio exposure if macroeconomic circumstances so justify. If this exemption is applied, the institutions must satisfy an adjusted leverage ratio requirement of over 3%. On 18 June 2021, the European Central Bank declared that credit institutions under its supervision could apply this exclusion in light of the exceptional circumstances existing since 31 December 2019; this measure remained applicable until 31 March 2022 inclusive. The Issuer applied this provision and had to comply with a leverage ratio requirement of 3.18% during this period.

As of 1 January 2015 publication of the leverage ratio is mandatory at least once a year; institutions can choose to publish a fully loaded ratio or a phased-in ratio. If the institution decides to change its publication choice, at the time of first publication it must reconcile the data for all of the ratios previously published with the data for the new ratios selected for publication.

The Issuer has opted to publish a phased-in leverage ratio.

At the beginning of 2019, the Group received authorisation from the ECB (with application retroactive back to 2016) to exempt its exposures related to the centralisation of deposits at *Caisse des Dépôts et Consignations* (CDC) from the calculation of the leverage ratio.

At 31 March 2023, the phased-in leverage of the Issuer ratio was 3.7%, up +0.1 percentage point from end-December 2022 and above the 3% requirement.

At 31 March 2023, the phased-in leverage ratio of the Group was 5.4%, up by +0.1 percentage point from end-December 2022 and well above the regulatory requirement of 3.5% (increase of 0.5% from the 1st January 2023 for G-SIIs).

At 31 December 2022, the leverage ratio of the Issuer was 3.6% on a phased-in Tier 1 basis. The leverage ratio was down by 1 percentage point over the year 2022, mainly due to the end of the neutralisation of Central Bank exposures. Apart from that, the leverage ratio fell by 0.3 percentage points, in line with the drop in Tier 1 capital over the year and with an increase in exposures though limited by the partial repayment of TLTROs at the end of the year. The leverage ratio remained at a high level, 0.6 percentage points above the requirement.

At 31 December 2022, the leverage ratio of the Cr dit Agricole Group was 5.3% on a phased-in Tier 1 basis. The leverage ratio was down by 0.8 percentage point over 2022, mainly due to the end of the neutralisation of Central Bank exposures. Apart from that, the leverage ratio fell by 0.1 percentage point, in line with the drop in Tier 1 capital over the year and with an increase in exposures though limited by the partial repayment of TLTRO's at the end of the year. The leverage ratio remained at a high level, 2.3 percentage points above the requirement at 31 December 2022.

At 31 December 2021, the leverage ratio of the Issuer was 4.6% on a phased-in tier 1 basis following neutralisation of Central Bank exposures. The leverage ratio was down 0.3 percentage points over 2021, as the increase in tier 1 only partially covered that of the exposures. The ratio remained at a high level, 1.5 percentage points above the requirement.

At end-December 2021, the leverage ratio of the Group was 6.1% on a phased-in tier 1 basis following neutralisation of Central Bank exposures. The application of this measure makes it possible to neutralise Central Bank exposures of  207.9 billion at 31 December 2021. The leverage ratio was stable in 2021. The ratio remained at a high level, 3.0 percentage points above the requirement.

At 31 December 2020, the leverage ratio of the Issuer was 4.9% on a phased-in tier 1 basis. The intra-quarter phased-in leverage ratio for the Issuer, which refer to the average end-of-month exposures for the first two months of the last quarter, was 4.8%, including the neutralisation of the ECB's exposures. Excluding the neutralisation of the Central Bank's exposures, the phased-in intra-quarter leverage ratio for the Issuer is 4.0%.

At end-December 2020, the leverage ratio of the Group was 6.1% on a phased-in tier 1 basis. The intra-quarter phased-in leverage ratio for the Group, which refers to the average end-of-month exposures for the first two months of the last quarter, was 6.0%, including the neutralisation of the ECB's exposures. Excluding the neutralisation of the Central Bank's exposures, the phased-in intra-quarter leverage ratio for the Group is 5.3%.

### ***Resolution ratios***

#### ***MREL ratio***

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio is defined in the European BRRD. This BRRD establishes a framework for the resolution of banks throughout the European Union, with the aim to provide resolution authorities with instruments and common powers to prevent the occurrence of banking crises, preserve financial stability and reduce taxpayers' exposure to losses. Directive (EU) 2019/879 of 20 May 2019 amended the BRRD and was transposed into French law by Order 2020-1636 of 21 December 2020.

The MREL ratio corresponds to an own funds and eligible liabilities buffer required to absorb losses in the event of resolution. Under BRRD, the MREL ratio is calculated as the amount of own funds and eligible liabilities expressed as a percentage of risk-weighted assets (RWA) and as a percentage of leverage exposure (LRE). The total regulatory capital of the Group, in addition to the eligible liabilities issued by the Central body and its affiliated entities, i.e. the subordinated notes, senior non-preferred debt and some senior preferred debt with a residual maturity of more than one year, qualify for inclusion in the MREL ratio numerator.

The required minimum levels are determined in the decisions taken by the resolution authorities and communicated to each institution, then revised periodically. As of 1 January 2022, the Crédit Agricole Group must comply with a total minimum MREL requirement of:

- 21.04% of RWA, plus – in accordance with CRD V – a combined capital buffer requirement (including, for the Crédit Agricole Group, a capital conservation buffer of 2.5%, a G-SIB buffer of 1% and a countercyclical buffer set at 0.05% for the Crédit Agricole Group at 31 December 2022). Considering the combined capital buffer requirement, the Crédit Agricole Group must comply with a MREL ratio of above 24.6%;
- 6.02% of the LRE.

At 31 December 2022, the Crédit Agricole Group had an estimated MREL ratio of 31.6% of RWA and 9.1% leverage exposure, well above the total MREL requirement.

At 31 March 2023, Crédit Agricole Group had a MREL ratio of 32.8% of RWA and 9.3% of leverage exposure, well above the total MREL requirement.

An additional subordination requirement to TLAC (“subordinated MREL”) is also defined by the resolution authorities and expressed as a percentage of RWA and of LRE, from which the senior debt instruments are excluded, similarly to the TLAC, whose ratio is equivalent to that of the subordinated MREL for the Crédit Agricole Group. Since 1 January 2022, the subordinated MREL requirement did not exceed the TLAC requirement for the Crédit Agricole Group.

The distance to the maximum distributable amount trigger related to the MREL requirements (M-MDA) is, for the G-SIBs, the lower of the respective distances to the MREL, subordinated MREL and TLAC requirements expressed in terms of RWA.

At 31 December 2022, the Crédit Agricole Group thus has a buffer of 560 basis points above the M-MDA trigger, considering the TLAC requirement applicable as of 31 December 2022, i.e. €32 billion in CET1 capital.

At 31 March 2023, Crédit Agricole Group therefore had a safety buffer of 580 basis points above the M-MDA trigger, taking into account the TLAC requirement applicable at 31 March 2023, i.e. €34 billion of CET1 capital.

### *TLAC Ratio*

The Financial Stability Board (FSB) has defined the calculation of a ratio aimed at estimating the adequacy of the loss absorbing and recapitalisation capacity of G-SIBs. This Total Loss Absorbing Capacity (TLAC) ratio provides resolution authorities with the means to assess whether G-SIBs have sufficient loss absorption and recapitalisation capacity before and during resolution. This ratio applies to G-SIBs, and therefore to Crédit Agricole Group.

The Group's regulatory capital as well as subordinated notes and eligible senior non-preferred debt with residual maturities of more than one year issued by the Issuer are eligible for the numerator of the TLAC ratio.

The TLAC ratio requirement has been transposed into European Union law via CRR and has been applicable since 27 June 2019. The Crédit Agricole Group must meet the following TLAC ratio requirements at all times:

- a TLAC ratio above 18% of risk-weighted assets (RWA), plus in accordance with CRD Va combined capital buffer requirement (including, for the Crédit Agricole Group, a capital conservation buffer of 2.5%, a G-SIB buffer of 1% and a countercyclical buffer set at 0.05% for the Crédit Agricole Group at 31 December 2022). Considering the combined capital buffer requirement, the Crédit Agricole Group must comply with a TLAC ratio of above 21.5%;
- a TLAC ratio of above 6.75% of the Leverage Ratio Exposure (LRE).

The 2025 target of the Crédit Agricole Group is to maintain a TLAC ratio greater than or equal to 26% of RWA excluding eligible senior preferred debt.

At 31 December 2022, the Crédit Agricole Group TLAC ratio was 27.2% of RWA and 7.8% of leverage exposure, excluding eligible preferred senior debt, i.e. well above the requirements. The Group thus has a TLAC ratio excluding eligible preferred senior debt of 560 basis points, i.e. €32 billion, above the currently required 21.5% of RWA.

In 2022, an equivalent of €5.9 billion was issued in the market (senior non-preferred debt and Tier 2). The amount of senior non-preferred debt of the Crédit Agricole Group taken into account in the calculation of the TLAC ratio is €27.6 billion.

At 31 March 2023, Crédit Agricole Group's TLAC ratio stood at 27.4% of RWA and 7.8% of leverage ratio exposure, excluding eligible senior preferred debt,<sup>85</sup> which is well above the requirements. The TLAC ratio expressed as a percentage of risk weighted assets increased by 20 bps over the quarter, in line with the increase in equity and eligible items over the period.

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<sup>85</sup> As part of its annual resolvability assessment, Crédit Agricole Group has chosen to waive the possibility offered by Article 72b-(3) of the Capital Requirements Regulation (CRR) to use senior preferred debt for compliance with its TLAC requirements in 2023.

Expressed as a percentage of leverage exposure (LRE), the TLAC ratio was stable compared to December 2022.

The Group thus has a TLAC ratio excluding eligible senior preferred debt that is 580 bps higher, i.e. €34 billion, than the current requirement of 21.6% of RWA.

At end-March 2023, €2.6 billion equivalent was issued in the market (AT1, senior non-preferred and Tier 2 debt). The amount of Crédit Agricole Group senior non-preferred securities taken into account in the calculation of the TLAC ratio was €28.0 billion.

## SECTION 12: USE OF PROCEEDS AND HISTORICAL DEBT OFFERINGS

### 1. Use of Proceeds

For the net proceeds from the offering of the bonds under the Program, (i) no less than 60% of the net proceeds will be retained in Renminbi and used onshore to support the Issuer's and its subsidiaries' business activities and development in the PRC; and (ii) no more than 40% of the net proceeds may be swapped to other currencies or retained in RMB to be used offshore for the general corporate purposes of the Issuer, subject to the offshore RMB funding needs of the Issuer and market conditions.

Notwithstanding the above, the net proceeds from the offering of the Bonds, i.e. the first issuance under the Programme, will be remitted offshore and used to support the Issuer's and its subsidiaries' business activities, subject to the satisfaction of the applicable requirements of the regulatory authorities and completion of the required procedures under the applicable PRC laws and regulations.

### 2. Details of Historic Debt Offering

#### *(1) Consolidated outstanding debt securities and subordinated debt:*

The following table sets forth details on the consolidated outstanding debt securities and subordinated debt for the Issuer at 31 December 2021 and 31 December 2022.

(in millions of euros)	31/12/2021	31/12/2022
	(audited)	(audited)
<b>Debt securities</b>		
Interest bearing notes	—	—
Interbank securities	7,862	5,905
Negotiable debt securities	61,260	104,558
Bonds <sup>(1)</sup>	99,885	99,560
Other debt securities	2,386	2,515
<b>Carrying Amount</b>	<b>171,393</b>	<b>212,538</b>
<b>Subordinated debt</b>		
Dated subordinated debt <sup>(2)</sup>	25,469	23,062
Undated subordinated debt <sup>(3)</sup>	440	106
Mutual security deposits	191	201
Participating securities and loans	1	1
<b>Carrying Amount</b>	<b>26,101</b>	<b>23,370</b>

Notes:

(1) Include issues of covered bonds and issues of senior non-preferred bonds.

(2) Includes issues of dated subordinated notes "TSR".

(3) Includes issues of deeply subordinated notes "TSS" and undated subordinated notes "TSDI".

#### *(2) Cr  lit Agricole S.A. parent company outstanding debt securities and subordinated debt:*

The following table sets forth details on the outstanding debt securities and subordinated debt for the parent company at 31 December 2021 and 2022.



<b>(in millions of euros) <sup>86</sup></b>	<b>31/12/2021</b>	<b>31/12/2022</b>
<b>Debt securities</b>		
Interest bearing notes	—	—
Money-market securities	7,166	5,732
Negotiable debt instruments <sup>(1)</sup>	2,517	23,391
Bonds	66,370	67,275
Other debt instruments	28,970	31,887
<b>Net Carrying amount</b>	<b>105,023</b>	<b>128,285</b>
<b>Subordinated debt</b>		
Fixed-term subordinated debt	20,859	21,266
Undated subordinated debt <sup>(2)</sup>	5,387	6,500
Mutual security deposits	—	—
Participating securities and loans	—	—
<b>Carrying amount</b>	<b>26,246</b>	<b>27,766</b>

**Notes:**

(1) Of which €10,590 million issued abroad at 31 December 2022 compared with €828 million at 31 December 2021.

(2) Residual maturity of undated subordinated debt classified by default in >5 years.

<sup>86</sup> The figures in this table were drawn up from the financial statements of Cr dit Agricole S.A. parent company for the year ended 31 December 2022, which was prepared in accordance with the accounting principles applicable to banks in France.

## SECTION 13: SELLING RESTRICTIONS

### 1. General

The distribution of this Offering Circular or any other offering materials relating to the Bonds and the issue, sale and delivery of the Bonds must comply with the rules and limitations of any selling restrictions of the relevant jurisdictions. Accordingly, each recipient of this Offering Circular or any other offering documents relating to the Bonds shall consult with its own legal advisors with regard to selling restrictions and is advised to comply with such selling restrictions. This Offering Circular does not constitute an offer or an invitation to subscribe for or purchase any Bonds in any jurisdiction in which such offer or invitation would not be lawful.

The Bonds will be offered only on the Interbank Market. Except for the approval by PBOC on the public offering of the Bonds on the Interbank Market, no actions have been taken or will be taken in relation to a public offering of the Bonds, or in respect of the holding or distribution of this Offering Circular or revisions or supplements to this Offering Circular or any other offering documents or announcements in any other countries or jurisdictions.

### 2. PRC

The Bonds will be only offered or distributed to, and traded among, institutional investors of the Interbank Market (other than purchasers prohibited under PRC laws, regulations and these selling restriction provisions herein). Offshore investors participating in the subscription or purchase of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Markets released by PBOC, as well as applicable rules issued by other relevant authorities.

### 3. United States

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (hereinafter, the “**U.S. Securities Act**”) or the securities laws of any U.S. state. The Bonds may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Bonds are being offered and sold only outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the U.S. Securities Act. The Bonds may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Each Underwriter has agreed that:

- (a) except as permitted by the Underwriting Agreement, it will not offer, sell or deliver the Bonds (x) as part of their distribution at any time or (y) otherwise until 40 days after the completion of the distribution of the Bonds (the “**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons,

and

- (b) it will have sent to each dealer to which it sells the Bonds during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the U.S. Securities Act.

#### **4. European Economic Area (“EEA”)**

In relation to each member state of the European Economic Area (each, a “**EEA Member State**”), each Underwriter has represented and agreed that it has not made and will not make an offer to the public of any Bonds in that EEA Member State except that it may make an offer to the public in that EEA Member State at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Underwriter or Underwriters nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds shall require the Issuer or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Bonds in any EEA Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

This selling restriction is in addition to any other selling restrictions set out in this Offering Circular.

#### **5. United Kingdom (“UK”)**

Each Underwriter has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the UK.

In relation to the UK, each Underwriter has represented and agreed that it has not made and will not make an offer to the public of any Bonds in the UK except that it may make an offer to the public in the UK at any time under the following exemptions:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation, subject to obtaining the prior consent of the relevant Underwriter or Underwriters nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Section 86 of the FSMA;

provided that no such offer of Bonds shall require the Issuer or any Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Bonds in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

This selling restriction is in addition to any other selling restrictions set out in this Offering Circular.

## **SECTION 14: TAXATION RELATING TO THE BONDS**

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect).

This summary is not intended to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and is not intended to deal with consequences applicable to all categories of prospective investors, some of which may be subject to special rules. Each prospective investor considering the purchase of the Bonds should consult its own tax advisors concerning the possible tax consequences relating to the Bonds.

### **1. PRC Taxation**

#### **(1) Value-added tax (“VAT”) and local surcharge and levies**

##### **(a) Domestic PRC investors**

The Public Notice on Comprehensive Roll-out of the Pilot Program for Transforming Business Tax to VAT issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2016] No.36) (“**Circular 36**”), which became effective on 1 May 2016, provides that, *inter alia*, provision of services within the PRC (such term contemplating that, for services other than leasing of real properties, either the provider or the recipient of such services is located within the PRC) is subject to VAT, and income derived from the usage and borrowing of funds, including interest income derived during the period of holding (including at the time of maturity) of financial products, is subject to VAT. VAT applies to lending services where the taxable turnover is the gross amount of the interest income and any income in the nature of interest. The transfer of financial products, including transfer of the ownership of marketable securities, is subject to VAT on the taxable turnover which is the balance of the sales price less the purchase price. With respect to a general VAT taxpayer, output VAT shall be calculated at 6% of the taxable turnover on the difference between output VAT and input VAT on the taxable items mentioned above. In the case of a small-scale VAT taxpayer, VAT shall be calculated at 3% of the taxable turnover on the taxable items mentioned above, without any credit for input VAT. A VAT taxpayer is also subject to urban maintenance and construction tax (at 7% of the VAT), education surcharge (at 3% of the VAT), local education surcharge (at 2% of the VAT) and potential applicable other local surcharges. Therefore, domestic PRC investors’ interest income and gains from transferring or selling the Bonds are subject to VAT and the relevant surcharges.

##### **(b) Foreign investors**

Pursuant to Circular 36, it is possible that the revenues of foreign entities and individuals generated from their provision of services to other foreign entities or individuals are not deemed as the provision of services within the PRC and therefore not subject to VAT. As a result, if the interest income on the Bonds received by foreign investors is regarded

as providing lending services to foreign issuer of bonds, such services are not categorized as provision of services in the PRC, thus interest income on the Bonds received by foreign investors is not subject to VAT. Furthermore, pursuant to the Circular on Renewal of Enterprise Income Tax and Value-added Tax in relation to Investments in PRC Bond Markets by Overseas Institutional Investors issued by the Ministry of Finance and the State Administration of Taxation of the PRC (Caishui [2021] No.34), during the period from 7 November 2021 to 31 December 2025, interest income received by overseas institutional investors from investing in the PRC bond markets is exempt from VAT.

In addition, Circular 36 categorizes transfers of financial products as the provision of financial services. Pursuant to the Supplemental Circular on VAT Policies Relating to Transactions between Financial Institutions issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2016] No.70), the income of foreign investors that are approved by PBOC from investing on the interbank RMB bond market is exempt from VAT. Therefore, if the gains of foreign investors on the transfer or sale of the Bonds are recognized as such income, such gains are exempt from VAT and the relevant surcharges.

## **(2) Enterprise Income Tax (“EIT”)**

### **(a) EIT for PRC Tax Residents**

The Bonds and any interest thereon are not exempt from taxation under PRC law. According to the Enterprise Income Tax Law of the PRC and its Implementation Rules, investors of the Bonds who are PRC resident enterprises shall be subject to income tax for the interest income received from the Bonds held by them and for gains received from the transfer or sale of the Bonds. Such income shall be included in such investors’ revenues recognized in the respective period, income tax on which is generally assessed at the rate of 25%.

### **(b) EIT for Non-PRC Tax Residents**

The Enterprise Income Tax Law of the PRC and its Implementation Rules provide that a non-resident enterprise that has no business establishment or place in the PRC, or has business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, is subject to EIT on the income sourced from the PRC. The source of income for interest is determined on the basis of the location of the enterprise or entity that bears or pays such interest; for income derived from transfer of movable property, the source of income is determined on the basis of the location of the enterprise or entity that transfers such property.

If an investor of the Bonds is a non-resident enterprise that has no business establishment or place in the PRC or that has a business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, and the interest arising from the Bonds is borne and paid by a foreign bond issuer, such interest income shall be regarded as income sourced from outside of the PRC and such investor shall not be subject to EIT on such interest income. Additionally, if an investor

is a non-resident enterprise located outside the PRC, the gain derived by such investor from transferring or selling the Bonds shall be regarded as the income sourced from outside the PRC and thus shall not be subject to EIT. Furthermore, pursuant to the Circular on Renewal of Enterprise Income Tax and Value-added Tax in relation to Investments in PRC Bond Markets by Overseas Institutional Investors issued by the Ministry of Finance and the State Administration of Taxation of the PRC (Caishui [2021] No.34), during the period from 7 November 2021 to 31 December 2025, interest income received by overseas institutional investors from investing in the PRC bond markets that are not derived from, nor associated with, any entities or establishments of such overseas institution in the PRC is exempt from EIT.

### (3) Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (the “**Stamp Duty Law**”), effective July 1, 2022, persons or entities who conclude taxable vouchers or conduct securities transactions within the PRC shall be taxpayers of stamp duty and pay stamp duty. Currently, the transfer of the Bonds is not subject to stamp duty under the Stamp Duty Law. However, it is uncertain whether or when the PRC government will impose stamp duty on such transactions in the future and if imposed, what the stamp duty tax rate of such transactions will be.

## 2. France Taxation

*The descriptions below are intended as a basic summary of certain withholding tax consequences that may be relevant in France to holders of Bonds who do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

### **Withholding tax**

Pursuant to Article 125 A III of the French Tax Code, payments of interest and other revenues made by the Issuer on the Bonds are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French Tax Code (a “**Non-Cooperative State**”), in which case a 75% withholding tax is applicable subject to exceptions, certain of which being set forth below, and to more favourable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the Bondholder. The list of Non-Cooperative States is published by a ministerial executive order, which may be updated at any time, and at least once a year. A law published on 24 October 2018 no 2018-898 (i) removed the specific exclusion of the European Union member States, (ii) expanded the list of Non Cooperative States to include states and jurisdictions on the blacklist published by the Council of the European Union as amended from time to time and (iii) as a consequence expanded this withholding tax regime to certain states and jurisdictions included in the blacklist.

Furthermore, according to Article 238 A of the French Tax Code, interest and other revenues will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account

opened in a financial institution located in such a Non-Cooperative State. The abovementioned law published on 24 October 2018 which amended the Non-Cooperative State list as described above, expanded this regime to all the states and jurisdictions included in the blacklist published by the Council of the European Union as amended from time to time.

Under certain conditions, any such non-deductible interest or other revenues may be recharacterised as constructive dividends pursuant to Articles 109 et seq. of the French Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the same Code, at a rate of (i) 25% for fiscal years opened on or after 1 January 2022 for Bondholders who are non-French tax resident legal persons, (ii) 12.8% for Bondholders who are non-French tax resident individuals, in each case (x) unless payments are made in Non-Cooperative States (which include states and jurisdictions included in the blacklist published by the Council of the European Union as amended from time to time subject to certain limitations for the application of the withholding tax set forth in Article 119 *bis* 2 of the French Tax Code) in which case the withholding tax rate would be equal to 75% and (y) subject to certain exceptions and to more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French Tax Code, nor, to the extent the relevant interest or revenues relate to genuine transactions and is not in an abnormal or exaggerated amount, the non-deductibility of the interest and other revenues and the withholding tax set out under Article 119 *bis* 2 that may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Bonds provided that the Issuer can prove that the main purpose and effect of such issue of Bonds are not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”).

In addition, under French tax administrative guidelines (BOI-INT-DG-20-50-20, no. 290, dated 24 February 2021 and BOI-INT-DG-20-50-30, no. 150, dated 14 June 2022), an issue of Bonds benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of Bonds, if such Bonds are:

- (i) offered by means of a public offer within the meaning of Article L. 411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of



a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositaries or operators are not located in a Non-Cooperative State.

***Withholding tax applicable to French resident individuals***

Pursuant to Article 125 A of the French Tax Code (i.e., where the paying agent (*établissement payeur*) is established in France) subject to certain exceptions, interest and other similar income received by French tax resident individuals is subject to a 12.8% levy withheld at source, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding tax at an aggregate rate of 17.2% on interest paid to French tax resident individuals. Holders of the Bonds who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 12.8% levy and the 17.2% social security contributions are collected, where the paying agent is not established in France.

## SECTION 15: LOCAL CREDIT RATINGS

### 1. Rating Summary

S&P Ratings China has assigned its AAA<sub>spc</sub> issuer credit rating, with a stable outlook, to the Issuer, based on the ‘A+’ issuer credit rating with a stable outlook assigned by S&P Global Ratings, and a four-notch uplift through the application of the S&P Global (China) Ratings Panda Bond Methodology. The outlook is stable. CASA’s Global Ratings assigned by S&P Global Ratings has been A+/stable since June 2021.

According to S&P Ratings China’s Panda Bond Methodology, S&P Ratings China’s analysis of foreign issuers typically considers the credit opinion which S&P Global Ratings may have on that issuer. Where a foreign domiciled issuer has stronger credit quality characteristics, such as “BBB” category or above credit quality as determined by S&P Global Ratings, S&P Ratings China may assign a view of credit quality typically in the range of two to five notches higher than the credit quality opinion of S&P Global Ratings.

### 2. Credit Strengths and Weakness<sup>87</sup>

#### 2.1 Credit Strengths

- Firm leader in the French retail banking market, generating good and predictable risk-adjusted earnings.
- Increasingly diverse business model and income sources, with leading franchises, notably in retail banking, insurance and asset management.
- Sound earnings and cooperative status, which support internal capital generation.

#### 2.2 Credit Risks

- Only gradual benefit from increasing interest rates, and some inflation pressure on costs.
- The deteriorating environment can drive credit risk, particularly in the corporate and small and midsize enterprise sectors.
- Relatively high economic risk in Italy, which the group considers its second home market.

### 3. Rating Outlook

The stable outlook considers the ratings which S&P Global Ratings has assigned to the Issuer and the notching uplift S&P Ratings China has applied.

**Downside Scenario:** S&P Ratings China may consider the possibility of lowering its rating

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<sup>87</sup> The strengths and risks analysis is an excerpt from the credit report on CASA from S&P Global Ratings, and it should be used and interpreted in the context of the rating criteria of S&P Global Ratings. See the appendix to the Credit Rating Report issued by S&P Ratings China in relation to the Bonds for the full report from S&P Global Ratings

on the Issuer if S&P Global Ratings downgrades the Issuer.

#### **4. Related Methodologies, Models & Research**

Methodology applied:

- S&P Global (China) Ratings – Panda Bond Methodology<sup>88</sup>.
- S&P Global (China) Ratings General Considerations on Rating Modifiers and Relative Ranking<sup>89</sup>.

Models applied: None.

#### **5. Surveillance Plan**

S&P Ratings China shall monitor the credit quality of the rated Issuer and the Bonds on a periodic and an ongoing basis. If any material credit events are likely to change the credit quality of the Issuer or the Bonds, S&P Ratings China will conduct ad hoc surveillance, and determine whether the outstanding ratings need to be adjusted. The rating report of S&P Ratings China's periodic surveillance of the Bonds shall be published before July 31 of each year.

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<sup>88</sup> Available on S&P Ratings China's website: [https://www.spgchinaratings.cn/criteria/panda-bond\\_en](https://www.spgchinaratings.cn/criteria/panda-bond_en)

<sup>89</sup> Available on S&P Ratings China's website: [https://www.spgchinaratings.cn/criteria/commentary\\_general-considerations-on-rating-modifiers-and-relative-ranking](https://www.spgchinaratings.cn/criteria/commentary_general-considerations-on-rating-modifiers-and-relative-ranking)

## SECTION 16: DISCLOSURE ARRANGEMENTS

The Issuer shall make accurate, truthful, complete and timely disclose of the information related to the Bonds in accordance with the requirements of PBOC. During the offering process of the Bonds and during the life of the Bonds, the Issuer will disclose the relevant information through the Designated Disclosure Methods, in accordance with the requirements of PBOC.

### 1. Documents Relating to the issue of Bonds

The Issuer will, by no later than three Business Days before the Bookbuilding Date of the Bonds, disclose the following documents through the Designated Disclosure Methods:

- (1) A copy of the PBOC Approval on the issue of the Bonds by the Issuer on the Interbank Market;
- (2) The Offering Circular and any Supplement thereto (where applicable) in relation to the Bonds;
- (3) A copy of the legal opinion issued by Cleary Gottlieb Steen & Hamilton LLP in relation to the Offering (English version with a Chinese translation);
- (4) A copy of the legal opinion of Fangda Partners in relation to the Offering;
- (5) A copy of the credit rating report issued by the Credit Rating Agency for the Issuer and the Bonds;
- (6) The audited consolidated financial statements of the Issuer and the key financials of the Group at and for the three financial years ended 31 December 2020, 2021 and 2022 (English version with a Chinese translation);
- (7) Key financials of the Issuer and the Group as at and for the three months ended 31 March 2023, respectively (English version with a Chinese translation); and
- (8) Copies of the consent of *PRICEWATERHOUSECOOPERS AUDIT* and *ERNST & YOUNG et Autres* in relation to the Bonds (English version with a Chinese translation).

### 2. Periodic Reporting

During the period in which any Bonds remain outstanding, the Issuer will disclose the following documents through the Designated Disclosure Methods:

- (1) The English version of the audited annual consolidated financial statements of the Issuer will be disclosed no later than 30th April each year, and a Chinese summary thereof will be disclosed no later than 10 Business Days after the English version is disclosed; and
- (2) The English version of the unaudited interim consolidated financial results of the Issuer will be disclosed no later than 10 Business Days after the unaudited interim financial results are released, and a Chinese summary thereof will be disclosed within 10 Business

Days after the English version is disclosed.

### **3. Disclosure of Material Events**

During the period in which any Bonds remain outstanding, the Issuer will timely report to the Competent Authorities any material events affecting the Issuer's ability to repay debts and disclose the same to the investors through the Designated Disclosure Methods at the same time or as soon as reasonably practicable after it reports or discloses the same to other international regulatory authorities or overseas stock exchanges. Such disclosure shall be made in simplified Chinese.

### **4. Payment of Principal and Interest**

The Issuer will publish the information in relation to the payment of principal of and interest on the Bonds through the Designated Disclosure Methods no later than the fifth Business Day prior to the due date for payment. Such information shall be made in simplified Chinese.

### **5. Change in Credit Rating:**

Following the registration and trading of the Bonds and so long as any Bond is outstanding, if any material credit events are likely to change the credit quality of the Issuer, the Credit Rating Agency will conduct ad hoc surveillance, and determine whether the outstanding ratings need to be adjusted, and the relevant information should be disclosed through the Designated Disclosure Methods.

## **SECTION 17: LEGAL OPINIONS RELATING TO THE BONDS**

Fangda Partners and Cleary Gottlieb Steen & Hamilton LLP have, at the request of the Issuer, each issued a legal opinion in connection with the proposed issuance by the Issuer of the Bonds on the Interbank Market.

### **1. Legal Opinion of Fangda Partners**

The Issuer has appointed Fangda Partners to act as its PRC legal adviser and to issue a PRC legal opinion (this legal opinion is issued on the basis that the legal adviser has conducted reasonable due diligence, relied on confirmations from the Issuer and appropriate qualifications and assumptions). Such legal opinion opines on the following: the Issuer has obtained the required PBOC approval in connection with the issuance of the Bonds and, on the basis of its satisfaction of the requirements under the PBOC Approval, is permitted to issue the Bonds in accordance with the Interim Measures and the relevant PRC laws and regulations; the Issuer has satisfied the qualification requirements for foreign financial institutions to issue Renminbi-denominated bonds pursuant to the Interim Measures; the key terms of the Bonds do not contravene mandatory provisions of PRC laws and regulations; the Bonds, upon their due issuance and the payment in full of the subscription monies therefor, will constitute legal, valid and binding obligations of the Issuer under PRC laws and regulations; the use of proceeds from the offering of the Bonds does not contravene mandatory provisions of PRC laws and regulations; the choice of law and dispute resolution mechanism of the Bonds do not contravene mandatory provisions of PRC laws and regulations.

### **2. Legal Opinion issued by Cleary Gottlieb Steen & Hamilton LLP**

The Issuer has appointed Cleary Gottlieb Steen & Hamilton LLP to act as its French legal adviser and to issue a French law legal opinion (this legal opinion being issued (i) on the basis that the legal adviser has conducted reasonable due diligence and relied on confirmations from the Issuer and (ii) subject to appropriate qualifications and assumptions contained therein), to, inter alia, the following effect:

- the Issuer is a French licensed credit institution in France, is validly existing as a *société anonyme* under the laws of the Republic of France and has corporate powers to enter into the Underwriting Agreement and to issue the Bonds;
- the execution by the Issuer of the Underwriting Agreement, and the performance of the Issuer's obligations thereunder, have been duly authorized by all necessary corporate action of the Issuer; and the issuance of the Bonds will be duly authorized by all necessary corporate action of the Issuer upon execution of the final decision on the pricing terms of the issue of the Bonds, the Underwriting Agreement and the fixed income product key elements registration form, which will be appended to the Underwriting Agreement;
- the ranking provisions with respect to the Bonds set out under Section 5 "Terms of the Bonds and Offering Arrangements – Status of the Bonds" are valid under French law;

- once (X) the final decision on the pricing terms of the issue of the Bonds, the Underwriting Agreement and the fixed income product key elements registration form shall have been duly executed and (Y) the Bonds shall have been paid for in accordance with the provisions of the Underwriting Agreement, then the Bonds will, upon issue, constitute direct, unconditional, and unsecured obligations of the Issuer;
- the issuance and the offering of the Bonds in accordance with the Underwriting Agreement and this Offering Circular and the performance by the Issuer of its obligations under the Bonds and the Underwriting Agreement will not require any consent, approval, authorization, registration, qualification or filing of or with any French governmental authority or regulatory agency that would normally be applicable to general business entities with respect to such issuance, sale or performance, except for such as have been obtained or effected;
- the issuance of the Bonds in accordance with the Underwriting Agreement and this Offering Circular, the offering of the Bonds in accordance with the restrictions set forth in this Offering Circular and the Underwriting Agreement, and the performance by the Issuer of its obligations under the Bonds and the Underwriting Agreement will not result in a violation of (a) any French law or published rule or regulation that would normally be applicable to general business entities with respect to such performance, issuance and offering, or (b) the by-laws (*statuts*) of the Issuer;
- in order to ensure the validity, performance and enforceability of the Bonds, by or against the Issuer, it is not necessary that they be filed or registered in any public office in the Republic of France or that any other instrument relating thereto be executed, delivered, filed or registered in the Republic of France.

Investors may, during the offering period of the Bonds, review the above legal opinions at the address referred to in Section 20 “Documents Available for Inspection” of this Offering Circular.

## SECTION 18: INVESTOR PROTECTION MECHANISM

### 1. Subsequent Supervisory Institutions and Related Responsibilities

The Issuer is subject to ongoing obligations in various aspects under the Bonds. The Issuer has appointed Bank of China Limited, and Bank of China Limited has agreed to be appointed, as the post-issuance manager (the “**Post-Issuance Manager**”) in connection with the Issuer’s ongoing obligations under the Bonds. The responsibilities of the Post-Issuance Manager include:

- (1) prompting, guiding and assisting the Issuer in a timely manner to disclose all the information that should be disclosed in a true, accurate and complete manner (see Section 16 “Disclosure Arrangements” of this Offering Circular);
- (2) prompting, guiding and assisting the Issuer in a timely manner to specify the interest rate of the Bonds in the announcement about the key terms of the Bonds to be made following the Bookbuilding (see Term (14) (*Interest Rate*) under the heading of “Terms of the Bonds” in Section 5 “Terms of the Bonds and Offering Arrangements” of this Offering Circular) and assisting the Issuer to make such announcement to fulfil the Issuer’s disclosure obligations in the PRC;
- (3) (i) timely reminding the Issuer of its obligations to make payment of the interest and principal on the Bonds and (ii) prompting, guiding and assisting the Issuer in a timely manner to publish information in relation to payment of the principal and interest through the Designated Disclosure Methods to fulfil the Issuer’s disclosure obligations in the PRC (see Term (20) (*Method of Payment of Principal and Interest*) under the heading of “Terms of the Bonds” in Section 5 “Terms of the Bonds and Offering Arrangements” and “Payment of Principal and Interest” in Section 16 “Disclosure Arrangements” of this Offering Circular);
- (4) prompting the Issuer in a timely manner to disclose its audited annual consolidated financial statements (English version with a Chinese summary) and unaudited interim consolidated financial statements (English version with a Chinese summary), within the specified time (see “Periodic Reporting” in Section 16 “Disclosure Arrangements” of this Offering Circular);
- (5) prompting, guiding and assisting the Issuer in a timely manner to disclose the relevant information in relation to the Issuer’s credit quality (see “Change in Credit Rating” in Section 16 “Disclosure Arrangements” of this Offering Circular for details);
- (6) prompting, guiding and assisting the Issuer in a timely manner to announce any early redemption arrangements (see Term (23) (*Early Redemption*) under the heading of “Terms of the Bonds” in Section 5 “Terms of the Bonds and Offering Arrangements” of this Offering Circular) and assisting the Issuer to make such announcement to fulfil the Issuer’s disclosure obligations in the PRC;
- (7) assisting the Issuer to convene meetings of the Bondholders (see Section 18 “Investor Protection Mechanisms” below); and



- (8) prompting and assisting the Issuer in a timely manner to timely report any material events affecting the repayment of debt by the Issuer to the Competent Authorities (see “Disclosure Arrangements – Disclosure of Material Events” in Section 16 of this Offering Circular) and assisting the Issuer to make such announcements to fulfil the Issuer’s disclosure obligations in the PRC.).

## 2. No Event of Default

There are no events of default under the Bonds which would lead to an acceleration of such Bonds if certain events occur. However, if any judgment were issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer were liquidated for any other reason (*liquidation amiable*), then the Bonds would become immediately due and payable.

## 3. Meetings of Bondholders

### (1) Definitions

- (a) “**meeting**” means a meeting of Bondholders of the Bonds and include, unless the context otherwise requires, any adjournment.
- (b) “**agent**” means a holder of a voting certificate or a proxy for, or representative of, a Bondholder.
- (c) “**Ordinary Resolution**” means all resolutions, other than the Extraordinary Resolutions and Special Quorum Resolutions (both terms as defined below), passed at a meeting of the Bondholders duly convened and held in accordance with the terms of the Bonds.
- (d) “**Extraordinary Resolution**” means a resolution passed (i) at a meeting duly convened and held in accordance with this term by a majority of at least 75% of the votes cast or (ii) by a Written Resolution (as defined below), in relation to the following matters, namely:
- to sanction any proposal by the Issuer or any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer, whether or not those rights arise under the Bonds;
  - to assent to any modification of the Bonds proposed by the Issuer;
  - to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
  - to give any authority, direction or sanction required to be given by Extraordinary Resolution; and
  - to appoint any persons (whether Bondholders or not) as a committee or

committees to represent the Bondholders' interests and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution

(e) “**Special Quorum Resolution**” means, the business of the meeting includes consideration of proposals, *inter alia*, to:

- amend Maturity Date or Interest Payment Date on the Bonds;
- reduce or cancel the principal amount of, or any premium payable on redemption of the Bonds;
- reduce the interest rate in respect of the Bonds or to vary the method or basis of calculating the interest rate or interest amount in respect of the Bonds;
- vary the currency or currencies of payment of principal, of premium if any, or interest, if any, on the Bonds;
- modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass the Extraordinary Resolution;
- make any change in the ranking or priority of the Bonds that would materially adversely affect the Bondholders; or
- amend this provision.

(f) “**Written Resolution**” means a resolution in writing signed by the holders of at least 75% in principal amount of the Bonds outstanding.

## **(2) Convening a meeting**

- (a) The Issuer may at any time convene a meeting. If it receives a written request by Bondholders holding at least 10 per cent in principal amount of the Bonds for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Issuer shall convene a meeting of the Bondholders of the Bonds. Every meeting shall be held at a time and a location approved by the Issuer.
- (b) At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Bondholders may appoint proxies or

representatives and the details of the time limits applicable. The notice shall be disclosed through the Designated Disclosure Method.

- (c) The Issuer may fix a record date for the purpose of any meeting, provided such record date is no more than 10 days prior to the date fixed for such meeting. The person in whose name a Bond is registered on the record date shall be the holder for the purposes of the relevant meeting.

### **(3) Appointment of Proxy or Representative**

- (a) *Proxy*: A Bondholder may, by an instrument in writing in the form available from the specified office of the Post-issuance Manager in the Chinese language (a “**form of proxy**”) signed by such Bondholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Post-issuance Manager at least one clear Business Day before the time fixed for the relevant meeting, appoint any person (each a “**proxy**”) to act on his or its behalf in connection with any meeting of the Bondholders and any adjourned such meeting.
- (b) *Representative*: A corporation which holds the Bonds may by delivering to the Post-issuance Manager at least one clear Business Day before the time fixed for a meeting a certified copy of a resolution of its directors or other governing body (with, if it is not in Chinese, a certified translation into Chinese) authorise any person to act as its representative (a “representative”) in connection with that meeting.
- (c) Any proxy appointed pursuant to paragraph (3)(a) or representative appointed pursuant to paragraph (3)(b) shall, so long as such appointment remains in force, be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Bondholders, to be the Bondholder to which such appointment relates and the Bondholder shall be deemed for such purposes not to be the holder or owner, respectively (as applicable).

(4) Quorum, Voting Requirements, Adjournment and Written Resolutions

Purpose of the Meeting	Any meeting except for the meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum	Written Resolutions
Ordinary Resolution	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 10% in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing whatever the proportion of the Bonds	
	<b>Voting requirements:</b> not less than 50% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 50% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding
Extraordinary Resolution	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing a clear majority (50%) in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing whatever the proportion of the Bonds	
	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding

<b>Special Quorum Resolutions</b>	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 75% in principal amount of the Bonds for the time being outstanding	<b>Quorum:</b> two or more Bondholders or agents present in person holding or representing not less than 25% in principal amount of the Bonds for the time being outstanding	
	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Voting requirements:</b> not less than 75% of the votes cast at a meeting duly convened and held	<b>Requirements for adopting such resolutions:</b> signed by the holders of at least 75% in principal amount of the Bonds outstanding

**(5) Other rules for the Bondholders' Meetings**

**(a) Cancellation of meeting**

A meeting that has been validly convened in accordance with paragraph (2)(a) above, may be cancelled by the person who convened such meeting by giving at least 10 days' notice (exclusive of the day on which the notice is given or deemed to be given and of the day of the meeting) to the Bondholders (with a copy to the Post-issuance Manager where such meeting was convened by the Issuer or to the Issuer where such meeting was convened by the Post-issuance Manager). Any meeting cancelled in accordance with this paragraph (5)(a) shall be deemed not to have been convened.

**(b) Voting**

Each question submitted to a meeting shall be decided by vote by Bondholders or by their duly appointed proxies. Every such person has one vote for each Bond represented or held by them. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

**(c) Record Date**

The Issuer may fix a record date for the purpose of any meeting, provided such record date is no more than 10 days prior to the date fixed for such meeting. The person in whose name a Bond is registered on the record date shall be the holder for the purposes of the relevant meeting.

#### **(d) Quorum and Adjournment**

- (i) No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.
- (ii) The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph and paragraph (5)(d)(i) above.
- (iii) At least 10 days' notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

#### **(e) Chairman**

The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Bondholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

#### **(f) Attendance**

The following may attend and speak at a meeting:

- Bondholders and their respective agents
- the chairman
- the Issuer (through its representatives) and its financial and legal advisers
- Post-issuance Manager

No-one else may attend or speak.

#### **(g) Effect and Publication of Resolutions**

A resolution (including Ordinary Resolution, Extraordinary Resolution, Special Quorum Resolution and Written Resolution) shall be binding on all the Bondholders, whether or not present at the meeting or they sign such Written Resolution. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of a resolution to Bondholders through Designated Disclosure Methods within 14 days but failure to do so shall not invalidate the resolution.

**(h) Minutes**

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

## SECTION 19: PARTIES INVOLVED IN THE OFFERING OF THE BONDS

### 1. Contact Information of the Issuer and other parties involved in the offering of the Bonds

<b>Issuer</b>	<p>Crédit Agricole S.A.</p> <p>Address: 12, place des États-Unis, 92127 Montrouge Cedex, France</p> <p>Contact: Aurélien Harff, Deputy Head of Crédit Agricole Group Medium and Long Term Funding</p> <p>Tel: +33 (0) 141890130</p>
<b>Lead Underwriter and Lead Bookrunner</b>	<p>Bank of China Limited</p> <p>Address: No. 1, Fuxingmen Nei Dajie, Beijing, China</p> <p>Zip Code: 100818</p> <p>Contact: Jiasheng Xu, Songleying Li</p> <p>Tel: +86 10 6659 5027, +86 10 6659 2190</p> <p>Fax: +86 10 6659 4337</p>
<b>Joint Lead Underwriter and Joint Bookrunner</b>	<p>Credit Agricole Corporate and Investment Bank (China) Limited</p> <p>Address: 12F, Office Tower 2, Plaza 66, No.1266 West NanJing Road, Shanghai, China</p> <p>Zip Code: 200040</p> <p>Contact: Sixuan Chen</p> <p>Tel: +86 21 2216 3639</p> <p>Fax: +86 21 3856 6922</p>
<b>Joint Lead Underwriter and Joint Bookrunner</b>	<p>Industrial and Commercial Bank of China Limited</p> <p>Address: No.55, Fuxingmen Nei Dajie, Xicheng District, Beijing, China</p> <p>Zip Code: 100140</p> <p>Contact Persons: Liu Shuai, Chen Zetong</p> <p>Tel: +86 10 8101 1638, +86 10 6610 8040</p> <p>Fax: +86 10 6610 7567</p>



**Joint Lead  
Underwriter and  
Joint Bookrunner**

Agricultural Bank of China Limited

Address: No.69, Jianguomen Nei Avenue, Dongcheng District,  
Beijing, China

Zip Code: 100005

Contact Persons: Wang Ran

Tel: +86 10 8510 6324

Fax: +86 10 8510 6311

**Joint Lead  
Underwriter and  
Joint Bookrunner**

DBS Bank (China) Limited

Address: Unit 1301, 1306, 1701 and 1801, 1318 Lu Jia Zui Ring  
Road, Pudong, Shanghai, China

Zip Code: 200120

Contact Persons: Han Zhou, Benson YAU

Tel: +86 21 2061 0784, +86 21 3852 5823

Fax: +86 21 3896 8989

**Joint Lead  
Underwriter and  
Joint Bookrunner**

China Construction Bank Corporation

Address: 1-1, Naoshikou Street, Xicheng District, Beijing, China

Zip Code: 100033

Contact Persons: Peng Zhou

Tel: +86 10 6759 6478

Fax: +86 10 6627 5840

**Joint Lead  
Underwriter and  
Joint Bookrunner**

China International Capital Corporation Limited

Address: 33rd Floor, China World Tower 2, No. 1 Jianguomenwai  
Avenue, Chaoyang District, Beijing, China

Zip Code: 100004

Contact Persons: CHENG Daming, RUI Wendong, ZHANG  
Xinyun, JIANG Yuxuan

Tel: +86 10 6505 1166

Fax: +86 10 6505 1156

<b>Joint Lead Underwriter and Joint Bookrunner</b>	<p>China Securities Co., Ltd.</p> <p>Address: Building No. 4, No. 66 Anli Road, Chaoyang District, Beijing, China</p> <p>Zip Code: 100010</p> <p>Contact Persons: Meina Du, Tianyi Xu, Wenjie Li, Wentong Jiang, Mingyang Xin</p> <p>Tel: +86 10 8515 6433</p> <p>Fax: +86 10 6560 8445</p>
<b>Joint Lead Underwriter and Joint Bookrunner</b>	<p>CITIC Securities Company Limited</p> <p>Address: 22F, CITIC Securities Mansion, No.48 Liangmaqiao Road, Chaoyang District, Beijing, PRC</p> <p>Zip Code: 100026</p> <p>Contact Persons: Zhongnan Li, Guangxin Bai, Jike Fang, Yuxing Shen, Zewei Li, Miaoran Qiao</p> <p>Tel: +86 10 6083 3501</p> <p>Fax: +86 10 6083 3504</p>
<b>Other Underwriters</b>	<p>Huatai Securities Co., Ltd.</p> <p>Address: 6F, Tower A, Fortune Capital International Center, 22 Fengsheng Hutong, Xicheng District, Beijing</p> <p>Zip Code: 100032</p> <p>Contact Persons: Qin Tang</p> <p>Tel: +86 10 5683 9300</p> <p>Fax: +86 10 5761 5902</p> <p>Fubon Bank (China) Co., Ltd</p> <p>Address: 19F, Oriental Financial Plaza Tower A, 1168 Century Avenue, Pudong, Shanghai 200120, China</p> <p>Zip Code: 200120</p> <p>Contact Persons: Yue Hu</p> <p>Tel: +86 21 2061 9305</p> <p>Fax: +86 21 6886 5922</p>

<b>Financial Advisor</b>	<p>Credit Agricole Corporate and Investment Bank (China) Limited</p> <p>Address: 12F, Office Tower 2, Plaza 66, No.1266 West NanJing Road, Shanghai, China</p> <p>Zip Code: 200040</p> <p>Contact: Sixuan Chen</p> <p>Tel: +86 21 2216 3639</p> <p>Fax: +86 21 3856 6922</p>
<b>Issuer's PRC Counsel</b>	<p>Fangda Partners</p> <p>24/F, HKRI Centre Two, HKRI Taikoo Hui 288 Shi Men Yi Road, Shanghai, China</p> <p>Zip Code: 200041</p> <p>Contact Person: Christine Chen</p> <p>Tel: +86 21 2208 1166</p> <p>Fax: +86 21 5298 5599</p>
<b>Issuer's French Counsel</b>	<p>Cleary Gottlieb Steen &amp; Hamilton LLP</p> <p>Address: 12, rue de Tilsitt 75008 Paris, France</p> <p>Zip Code: 75008</p> <p>Contact Person: Valérie Lemaitre</p> <p>Tel: +33 1 40 74 68 00</p>
<b>Statutory Auditors</b>	<p><b>Ernst &amp; Young et Autres</b></p> <p>Address: 1 / 2, place des Saisons 92400 Courbevoie – Paris – La Défense France</p> <p>Contact Person: Vanessa Jolival</p> <p>Tel: +33 (0) 6 28 43 79 39</p> <p><b>PricewaterhouseCoopers Audit</b></p> <p>Address: 63, rue de Villiers 92200 Neuilly-sur-Seine France</p> <p>Contact Person: Agnès Husserr</p> <p>Tel: +33 6 08 65 58 19</p>

<b>Credit Rating Agency</b>	<p>S&amp;P Ratings (China) Co., Ltd.</p> <p>Address: 49/F, Fortune Financial Center, No.5, Dongsanhuan Zhong Rd., Chaoyang District, Beijing, China</p> <p>Zip Code: 100022</p> <p>Contact Person: Xiaochen Luan</p> <p>Tel: +86 10 6516 6069</p>
<b>Bond Registration and Custody Institution</b>	<p>Interbank Market Clearing House Co., Ltd.</p> <p>No.2, Beijing East Road, HuangPu District, Shanghai, China</p> <p>Zip Code: 200002</p> <p>Contact: Issue Department</p> <p>Tel: +86 21 2319 8888</p> <p>Fax: +86 21 2319 8866</p>

## **2. Potential Conflicts of Interest Between the Issuer and the Principal Underwriters**

The Principal Underwriters and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Principal Underwriters may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer from time to time. In the ordinary course of their various business activities, the Principal Underwriters and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer including the Bonds, may be entered into at the same time or proximate to offers and sales of the Bonds or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Bonds. The Bonds may be purchased by or be allocated to any Principal Underwriters or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Each of the Principal Underwriters and its affiliates may receive fees and commissions for these transactions. In addition to the transactions noted above, each Principal Underwriter and its affiliates may, from time to time after completion of the offering of the Bonds, engage in other transactions with, and perform services for, the Issuer or its affiliates in the ordinary course of

their business

Each Principal Underwriter or its affiliates may hold the Bonds on behalf of clients or in the capacity of investment advisors. While each Principal Underwriter and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Principal Underwriter or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Bonds. Each Principal Underwriter may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Bonds.

CACIB (China), an indirectly wholly-owned subsidiary of the Issuer, acts as the Joint Lead Underwriter, Joint Bookrunner and Financial Advisor for the offering of the Bonds. CACIB (China) has conducted due diligence on the Issuer and performed other duties diligently as the Joint Lead Underwriter, Joint Bookrunner and Financial Advisor. CACIB (China) has represented and undertaken that its performance of duties as the Joint Lead Underwriter, Joint Bookrunner and Financial Advisor has not been and will not be affected by any conflicts of interest.

## SECTION 20: DOCUMENTS AVAILABLE FOR INSPECTION

### 1. Documents Available for Inspection

- (1) A copy of the PBOC Approval on the issue of the Bonds by the Issuer on the Interbank Market;
- (2) The Offering Circular and any Supplement thereto (where applicable) in relation to the Bonds;
- (3) Extract of the Board resolutions approving the issuance of the Bonds;
- (4) Articles of Association of the Issuer;
- (5) A copy of the legal opinion issued by Cleary Gottlieb Steen & Hamilton LLP in relation to the Offering (English version with a Chinese translation);
- (6) A copy of the legal opinion of Fangda Partners in relation to the Offering;
- (7) A copy of the credit rating report issued by the Credit Rating Agency for the Issuer and the Bonds;
- (8) The audited consolidated financial statements of the Issuer and the key financials of the Group as at and for the three financial years ended 31 December 2020, 2021 and 2022 (English version with a Chinese translation);
- (9) Key financials of the Issuer and the Group as at and for the three months ended 31 March 2023, respectively (English version with a Chinese translation); and
- (10) Copies of the consent of *PRICEWATERHOUSECOOPERS AUDIT* and *ERNST & YOUNG et Autres* in relation to the Bonds (English version with a Chinese translation).

The full text of this Offering Circular and the documents mentioned above will be available for inspection by the investors at the following places during the offering period of the Bonds:

**Issuer:**

**Crédit Agricole S.A.**

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Investors may also access to the full text of this Offering Circular and the documents mentioned above on the following Internet sites during the offering period of the Bonds:

<http://www.shclearing.com.cn>



<http://www.chinamoney.com.cn>

Investors who have any questions regarding this Offering Circular and the above-mentioned documents on record should consult their own securities brokers, legal advisors, certified public accountants or other professional advisors.

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