**Crédit Agricole Group**

**Statutory auditors' review report on the condensed half-yearly consolidated financial statements of Crédit Agricole Group**

**(Period from January 1 to June 30,2022)**

**PricewaterhouseCoopers Audit**
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex, France
French simplified joint-stock company
(société par actions simplifiée)
with capital of € 2 510 460
RCS: Nanterre 672 006 483

Statutory Auditor
Registered with the Versailles and
Centre Institute of Statutory Auditors

**ERNST & YOUNG et Autres**
Tour First
TSA 14444
92037 Paris-La-Défense cedex, France
French simplified joint-stock company
(société par actions simplifiée)
with variable capital
RCS: Nanterre 438 476 913

Statutory Auditor
Registered with the Versailles and
Centre Institute of Statutory Auditors

**Statutory auditors' review report on the condensed half-yearly consolidated financial statements of Crédit Agricole Group**

**For the period from January 1 to June 30,2022**

**Crédit Agricole S.A.**
12, place des Etats-Unis
92127 Montrouge Cedex, France

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Chief Executive Officer,

In our capacity as Statutory Auditors of Crédit Agricole S.A. and further to your request, we have performed a review of the accompanying condensed half-yearly consolidated financial statements of Crédit Agricole Group for the period from 1st January to 30th June 2022.

As stated in the note "General framework" to the financial statements, the condensed half-yearly consolidated financial statements of the Crédit Agricole Group reporting entity, which constitutes a network with a central body, are prepared on the basis of a community of interests encompassing all the Local Banks, the Regional Banks and the "Crédit Agricole S.A." central body.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of Management.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. A review of half-yearly financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34- standard of the IFRSs as adopted by the European Union applicable to half-yearly financial information.

Neuilly-sur-Seine and Paris-La Défense, 5th August 2022

The statutory Auditors

| PricewaterhouseCoopers Audit | ERNST & YOUNG et Autres |
| --- | --- |
| Agnès Hussherr | Olivier Durand |

# CRÉDIT AGRICOLE GROUP

# SUMMARY INTERIM CONSOLIDATED FINANCIAL STATEMENTS
# AT 30 JUNE 2022

**Reviewed by the Board of Directors of Crédit Agricole S.A. on 3 August 2022**

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# GENERAL FRAMEWORK

## CREDIT AGRICOLE GROUP

The Crédit Agricole Group is made up of 2,359 Local Banks, 39 Regional Banks, its corporate centre "Crédit Agricole S.A." and their subsidiaries.

Crédit Agricole Mutuel was organised under the Law of 5 November 1894 authorising the creation of the Local Banks (*caisses locales*) of Crédit Agricole, the Law of 31 March 1899 grouping the Local Banks into Crédit Agricole Regional Banks, and the Law of 5 August 1920 creating the Office National du Crédit Agricole. The latter was later transformed into the Caisse Nationale de Crédit Agricole, and then into Crédit Agricole S.A., whose role as a corporate centre was reiterated and clarified by the French Monetary and Financial Code.

The Crédit Agricole Group is a banking group with a corporate centre (central body) within the meaning of European Regulation No. 575/2013 as amended (the "Capital Requirements Regulation" or CRR), of which:

- the undertakings of the corporate centre and the institutions affiliated thereto constitute joint and several undertakings;

- the solvency and liquidity of all affiliated institutions are monitored as a whole on the basis of consolidated financial statements.

For groups with a corporate centre, Council Directive 86/635/EEC on the annual accounts of European credit institutions stipulates that the whole constituted by the corporate centre and its affiliated institutions must be the subject of consolidated financial statements drawn up, audited and published in accordance with the said directive.

In application of this directive, the corporate centre and its affiliated institutions constitute the reporting entity representing the community of interests established in particular by the system of cross-guarantees which jointly and severally cover the undertakings of the various Crédit Agricole Group entities. In addition, the various texts referred to in the first paragraph explain and organise the legal, financial, economic and political community of interests between Crédit Agricole S.A., the Regional Banks and the Local Banks of Crédit Agricole Mutuel. This community is notably based on a single financial relationship mechanism, a unique economic and commercial policy, and shared decision-making bodies, which have formed the foundation of the Crédit Agricole Group for over a century.

In accordance with European Regulation 1606/02, the consolidated financial statements of the reporting entity are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The reporting entity is made up of the Local Banks, the Regional Banks and the corporate centre, "Crédit Agricole S.A."

# CONSOLIDATED FINANCIAL STATEMENTS

## INCOME STATEMENT

| *(in millions of euros)* | Notes | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|---|
| Interest and similar income | 4.1 | 17,688 | 31,634 | 15,796 |
| Interest and similar expenses | 4.1 | (6,830) | (11,851) | (6,058) |
| Fee and commission income | 4.2 | 8,063 | 15,371 | 7,612 |
| Fee and commission expenses | 4.2 | (2,437) | (4,621) | (2,286) |
| Net gains (losses) on financial instruments at fair value through profit or loss | 4.3 | (11,847) | 14,839 | 9,144 |
| *Net gains (losses) on held for trading assets/liabilities* | | (3,723) | 2,182 | 1,698 |
| *Net gains (losses) on other financial assets/liabilities at fair value through profit or loss* | | (8,124) | 12,657 | 7,446 |
| Net gains (losses) on financial instruments at fair value through other comprehensive income | 4.4 | 31 | 61 | 92 |
| *Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or* | | (61) | (29) | 25 |
| *Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)* | | 92 | 90 | 67 |
| Net gains (losses) arising from the derecognition of financial assets at amortised cost | 4.5 | (9) | 45 | 26 |
| Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss | | - | - | - |
| Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through | | - | - | - |
| Income on other activities | 4.6 | 30,235 | 41,325 | 22,098 |
| Expenses on other activities | 4.6 | (15,639) | (49,813) | (27,953) |
| Reclassification of net gains (losses) of designated financial assets applying the overlay approach | 5.2 | 546 | (168) | (118) |
| **Revenues** | | **19,801** | **36,822** | **18,353** |
| Operating expenses | 4.7 | (11,686) | (21,169) | (10,599) |
| Depreciation, amortisation and impairment of property, plant & equipment and intangible assets | 4.8 | (913) | (1,912) | (920) |
| **Gross operating income** | | **7,202** | **13,741** | **6,834** |
| Cost of risk | 4.9 | (1,504) | (2,193) | (1,007) |
| **Operating income** | | **5,698** | **11,548** | **5,827** |
| Share of net income of equity-accounted entities | | 211 | 392 | 192 |
| Net gains (losses) on other assets | 4.10 | 35 | (27) | (23) |
| Change in value of goodwill | 6.7 | - | 497 | 379 |
| **Pre-tax income** | | **5,944** | **12,410** | **6,375** |
| Income tax charge | 4.11 | (1,502) | (2,463) | (1,401) |
| Net income from discontinued operations | 6.5 | 21 | 6 | 5 |
| **Net income** | | **4,463** | **9,953** | **4,979** |
| Non-controlling interests | | 363 | 852 | 455 |
| **NET INCOME GROUP SHARE** | | **4,100** | **9,101** | **4,524** |

## NET INCOME AND OTHER COMPREHENSIVE INCOME

| *(in millions of euros)* | Notes | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|---|
| **Net income** | | **4,463** | **9,953** | **4,979** |
| Actuarial gains and losses on post-employment benefits | 4.12 | 486 | 245 | 134 |
| Other comprehensive income on financial liabilities attributable to changes in own credit risk [1] | 4.12 | 774 | (13) | (36) |
| Other comprehensive income on equity instruments that will not be reclassified to profit or loss [1] | 4.12 | 24 | 95 | 15 |
| **Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities** | **4.12** | **1,284** | **327** | **113** |
| **Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities** | **4.12** | **8** | **24** | **5** |
| **Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities** | **4.12** | **(322)** | **(41)** | **(18)** |
| **Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities** | **4.12** | **(3)** | **(14)** | **(4)** |
| **Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations** | **4.12** | **-** | **(1)** | **(1)** |
| **Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax** | **4.12** | **967** | **295** | **95** |
| Gains and losses on translation adjustments | 4.12 | 612 | 957 | 366 |
| Other comprehensive income on debt instruments that may be reclassified to profit or loss | 4.12 | (5,296) | (1,499) | (1,236) |
| Gains and losses on hedging derivative instruments | 4.12 | (1,899) | (886) | (491) |
| Reclassification of net gains (losses) of designated financial assets applying the overlay approach | 4.12-5.2 | (578) | 182 | 118 |
| **Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities** | **4.12** | **(7,161)** | **(1,246)** | **(1,243)** |
| **Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share** | **4.12** | **81** | **103** | **59** |
| **Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities** | **4.12** | **1,928** | **629** | **447** |
| **Income tax related to items that may be reclassified to profit or loss on equity-accounted entities** | **4.12** | **-** | **(3)** | **(1)** |
| **Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations** | **4.12** | **(3)** | **(32)** | **(5)** |
| **Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax** | **4.12** | **(5,155)** | **(549)** | **(743)** |
| **Other comprehensive income net of income tax** | **4.12** | **(4,188)** | **(254)** | **(648)** |
| **Net income and other comprehensive income** | | **275** | **9,699** | **4,331** |
| Of which Group share | | (105) | 8,778 | 3,835 |
| Of which non-controlling interests | | 380 | 921 | 496 |

*[1] Include the impact of the transfer to reserves of -€5 million for items that cannot be reclassified.*

# BALANCE SHEET ASSETS

| *(in millions of euros)* | Notes | 30/06/2022 | 31/12/2021 |
|---|---|---|---|
| Cash, central banks | | 252,732 | 241,191 |
| Financial assets at fair value through profit or loss | 6.1 | 444,673 | 433,134 |
| *Held for trading financial assets* | | 260,068 | 233,031 |
| *Other financial instruments at fair value through profit or loss* | | 184,605 | 200,103 |
| Hedging derivative Instruments | | 30,107 | 16,023 |
| Financial assets at fair value through other comprehensive income | 3-6.2 | 235,649 | 268,700 |
| *Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss* | | 231,442 | 264,572 |
| *Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss* | | 4,207 | 4,128 |
| Financial assets at amortised cost | 3-6.3 | 1,306,774 | 1,258,283 |
| *Loans and receivables due from credit institutions* | | 109,079 | 96,703 |
| *Loans and receivables due from customers* | | 1,084,509 | 1,051,592 |
| *Debt securities* | | 113,186 | 109,988 |
| Revaluation adjustment on interest rate hedged portfolios | | (5,943) | 5,231 |
| Current and deferred tax assets | | 8,880 | 8,113 |
| Accruals, prepayments and sundry assets | | 60,739 | 43,081 |
| Non-current assets held for sale and discontinued operations | 6.5 | 7,409 | 2,965 |
| Deferred participation benefits | | 7,373 | (3) |
| Investments in equity-accounted entities | | 8,406 | 8,046 |
| Investment property | 6.6 | 8,666 | 8,292 |
| Property, plant and equipment | | 10,611 | 10,909 |
| Intangible assets | | 3,396 | 3,483 |
| Goodwill | 6.7 | 16,193 | 16,109 |
| **TOTAL ASSETS** | | **2,395,665** | **2,323,557** |

# BALANCE SHEET LIABILITIES

| *(in millions of euros)* | Notes | 30/06/2022 | 31/12/2021 |
|---|---|---|---|
| Central banks | | 228 | 1,276 |
| Financial liabilities at fair value through profit or loss | 6.1 | 272,572 | 243,555 |
| *Held for trading financial liabilities* | | 236,155 | 205,075 |
| *Financial liabilities designated at fair value through profit or loss* | | 36,417 | 38,480 |
| Hedging derivative Instruments | | 28,749 | 16,827 |
| Financial liabilities at amortised cost | 6.4 | 1,488,638 | 1,447,463 |
| *Due to credit institutions* | | 228,435 | 221,192 |
| *Due to customers* | | 1,063,631 | 1,044,566 |
| *Debt securities* | | 196,572 | 181,705 |
| Revaluation adjustment on interest rate hedged portfolios | | 3,268 | 5,841 |
| Current and deferred tax liabilities | | 2,742 | 3,013 |
| Accruals, prepayments and sundry liabilities | | 75,639 | 58,637 |
| Liabilities associated with non-current assets held for sale and discontinued operations | 6.5 | 6,424 | 2,566 |
| Insurance compagny technical reserves | 6.8 | 354,106 | 377,687 |
| Provisions | 6.9 | 6,069 | 7,104 |
| Subordinated debt | 6.10 | 24,002 | 25,873 |
| **Total Liabilities** | | **2,262,437** | **2,189,842** |
| **Equity** | | **133,228** | **133,715** |
| **Equity - Group share** | | **126,090** | **126,498** |
| Share capital and reserves | | 31,422 | 29,927 |
| Consolidated reserves | | 92,769 | 85,467 |
| Other comprehensive income | | (2,173) | 2,029 |
| Other comprehensive income on discontinued operations | | (29) | (26) |
| Net income (loss) for the year | | 4,100 | 9,101 |
| **Non-controlling interests** | | **7,138** | **7,217** |
| **TOTAL LIABILITIES AND EQUITY** | | **2,395,665** | **2,323,557** |

# STATEMENT OF CHANGES IN EQUITY

| | Group share | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share and capital reserves | | | | | Other comprehensive income | | | | |
| *(in millions of euros)* | *Share capital* | *Share premium and consolidated reserves* [1] | *Elimination of treasury shares* | *Other equity instruments* | **Total capital and consolidated reserves** | *Other comprehensive income on items that may be reclassified to profit and loss* | *Other comprehensive income on items that will not be reclassified to profit and loss* | **Total other comprehensive income** | **Net income** | **Total equity** |
| **Equity at 1 January 2021 published** | **12,610** | **98,980** | **(239)** | **5,888** | **117,239** | **3,683** | **(1,357)** | **2,326** | **-** | **119,565** |
| Impacts of new accounting standards | - | - | - | - | - | - | - | - | - | - |
| **Equity at 1 January 2021** | **12,610** | **98,980** | **(239)** | **5,888** | **117,239** | **3,683** | **(1,357)** | **2,326** | **-** | **119,565** |
| Capital increase | 675 | 501 | - | - | **1,176** | - | - | **-** | - | 1,176 |
| Changes in treasury shares held | - | - | (162) | - | **(162)** | - | - | **-** | - | (162) |
| Issuance / redemption of equity instruments | - | - | - | (1,007) | **(1,007)** | - | - | **-** | - | (1,007) |
| Remuneration of undated deeply subordinated notes at 1st semester 2021 | - | (199) | - | - | **(199)** | - | - | **-** | - | (199) |
| Dividends paid in 1st semester 2021 | - | (2,823) | - | - | **(2,823)** | - | - | **-** | - | (2,823) |
| Dividends received from Regional Banks and their subsidiaries | - | 1,587 | - | - | **1,587** | - | - | **-** | - | 1,587 |
| Impact of acquisitions/disposals on non-controlling interests | - | - | - | - | **-** | - | - | **-** | - | - |
| Changes due to share-based payments | - | 8 | - | - | **8** | - | - | **-** | - | 8 |
| **Changes due to transactions with shareholders** | **675** | **(926)** | **(162)** | **(1,007)** | **(1,420)** | **-** | **-** | **-** | **-** | **(1,420)** |
| **Changes in other comprehensive income** | **-** | **(20)** | **-** | **-** | **(20)** | **(825)** | **85** | **(740)** | **-** | **(760)** |
| *Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves* | - | (20) | - | - | (20) | - | 20 | 20 | - | - |
| *Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves* | - | - | - | - | - | - | - | - | - | - |
| Share of changes in equity-accounted entities | - | - | - | - | **-** | 50 | 1 | **51** | - | 51 |
| Net income for 1st semester 2021 | - | - | - | - | **-** | - | - | **-** | 4,524 | 4,524 |
| Other changes | - | (6) | - | - | **(6)** | - | - | **-** | - | (6) |
| **Equity at 30 june 2021** | **13,285** | **98,028** | **(401)** | **4,881** | **115,793** | **2,908** | **(1,271)** | **1,637** | **4,524** | **121,954** |
| Impacts of new accounting standards | - | 183 | - | - | 183 | - | - | - | - | 183 |
| Capital increase | 397 | 137 | - | - | **534** | - | - | **-** | - | 534 |
| Changes in treasury shares held | - | - | (886) | - | **(886)** | - | - | **-** | - | (886) |
| Issuance / redemption of equity instruments | - | (1) | - | 7 | **6** | - | - | **-** | - | 6 |
| Remuneration of undated deeply subordinated notes at 2nd semester 2021 | - | (168) | - | - | **(168)** | - | - | **-** | - | (168) |
| Dividends paid in 2nd semester 2021 | - | - | - | - | **-** | - | - | **-** | - | - |
| Dividends received from Regional Banks and their subsidiaries | - | - | - | - | **-** | - | - | **-** | - | - |
| Impact of acquisitions/disposals on non-controlling interests | - | - | - | - | **-** | - | - | **-** | - | - |
| Changes due to share-based payments | - | 16 | - | - | **16** | - | - | **-** | - | 16 |
| **Changes due to transactions with shareholders** | **397** | **(16)** | **(886)** | **7** | **(498)** | **-** | **-** | **-** | **-** | **(498)** |
| **Changes in other comprehensive income** | **-** | **(40)** | **-** | **-** | **(40)** | **133** | **184** | **317** | **-** | **277** |
| *Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves* | - | (40) | - | - | (40) | - | 40 | 40 | - | - |
| *Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves* | - | - | - | - | - | - | - | - | - | - |
| Share of changes in equity-accounted entities | - | 1 | - | - | **1** | 40 | 9 | **49** | - | 50 |
| Net income for 2nd semester 2021 | - | - | - | - | **-** | - | - | **-** | 4,577 | 4,577 |
| Other changes | - | (45) | - | - | **(45)** | - | - | **-** | - | (45) |
| **Equity at 31 December 2021 -3** | **13,682** | **98,111** | **(1,287)** | **4,888** | **115,394** | **3,081** | **(1,078)** | **2,003** | **9,101** | **126,498** |
| Appropriation of 2021 net income | - | 9,101 | - | - | **9,101** | - | - | **-** | (9,101) | - |
| **Equity at 1 January 2022** | **13,682** | **107,212** | **(1,287)** | **4,888** | **124,495** | **3,081** | **(1,078)** | **2,003** | **-** | **126,498** |
| Impacts of the adoption of IFRS 9 | - | - | - | - | **-** | - | - | **-** | - | - |
| **Equity at 1 January 2022 published** | **13,682** | **107,212** | **(1,287)** | **4,888** | **124,495** | **3,081** | **(1,078)** | **2,003** | **-** | **126,498** |
| Capital increase | 137 | (797) | - | - | **(660)** | - | - | **-** | - | (660) |
| Changes in treasury shares held | - | - | 1,033 | - | **1,033** | - | - | **-** | - | 1,033 |
| Issuance / redemption of equity instruments | - | (8) | - | 1,098 | **1,090** | - | - | **-** | - | 1,090 |
| Remuneration of undated deeply subordinated notes at 1st semester 2022 | - | (206) | - | - | **(206)** | - | - | **-** | - | (206) |
| Dividends paid in 1st semester 2022 | - | (3,730) | - | - | **(3,730)** | - | - | **-** | - | (3,730) |
| Dividends received from Regional Banks and their subsidiaries | - | 2,149 | - | - | **2,149** | - | - | **-** | - | 2,149 |
| Impact of acquisitions/disposals on non-controlling interests | - | - | - | - | **-** | - | - | **-** | - | - |
| Changes due to share-based payments | - | 8 | - | - | **8** | - | - | **-** | - | 8 |
| **Changes due to transactions with shareholders** | **137** | **(2,584)** | **1,033** | **1,098** | **(316)** | **-** | **-** | **-** | **-** | **(316)** |
| **Changes in other comprehensive income** | **-** | **(5)** | **-** | **-** | **(5)** | **(5,220)** | **940** | **(4,280)** | **-** | **(4,285)** |
| *Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves* | - | (2) | - | - | (2) | - | 2 | 2 | - | - |
| *Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves* | - | (3) | - | - | (3) | - | 3 | 3 | - | - |
| Share of changes in equity-accounted entities | - | - | - | - | **-** | 67 | 6 | **73** | - | 73 |
| Net income for 1st semester 2022 | - | - | - | - | **-** | - | - | **-** | 4,100 | 4,100 |
| Other changes | - | 17 | - | - | **17** | - | - | **3** | - | 20 |
| **EQUITY AT 30 JUNE 2022** | **13,819** | **104,640** | **(254)** | **5,986** | **124,191** | **(2,072)** | **(132)** | **(2,201)** | **4,100** | **126,090** |

[1] *Consolidated reserves before elimination of treasury shares.*

| | Non-controlling interests | | | | | |
|---|---|---|---|---|---|---|
| | | Other comprehensive income | | | | |
| *(in millions of euros)* | **Capital, associated reserves and income** | *Other comprehensive income on items that may be reclassified to profit and loss* | *Other comprehensive income on items that will not be reclassified to profit and loss* | **Total other comprehensive income** | **Total equity** | **Total consolidated equity** |
| **Equity at 1 January 2021 published** | **7,085** | **(136)** | **(40)** | **(176)** | **6,909** | **126,474** |
| Impacts of new accounting standards | - | - | - | - | - | - |
| **Equity at 1 January 2021** | **7,085** | **(136)** | **(40)** | **(176)** | **6,909** | **126,474** |
| Capital increase | - | - | - | - | - | 1,176 |
| Changes in treasury shares held | - | - | - | - | - | (162) |
| Issuance / redemption of equity instruments | - | - | - | - | - | (1,007) |
| Remuneration of undated deeply subordinated notes at 1st semester 2021 | (50) | - | - | - | (50) | (249) |
| Dividends paid in 1st semester 2021 | (393) | - | - | - | (393) | (3,216) |
| Dividends received from Regional Banks and their subsidiaries | - | - | - | - | - | 1,587 |
| Impact of acquisitions/disposals on non-controlling interests | - | - | - | - | - | - |
| Changes due to share-based payments | 3 | - | - | - | 3 | 11 |
| **Changes due to transactions with shareholders** | **(440)** | **-** | **-** | **-** | **(440)** | **(1,860)** |
| **Changes in other comprehensive income** | **-** | **24** | **9** | **33** | **33** | **(727)** |
| *Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves* | - | - | - | - | - | - |
| *Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves* | - | - | - | - | - | - |
| Share of changes in equity-accounted entities | - | 8 | - | 8 | 8 | 59 |
| Net income for 1st semester 2021 | 455 | - | - | - | 455 | 4,979 |
| Other changes | 2 | - | - | - | 2 | (4) |
| **Equity at 30 June 2021** | **7,102** | **(104)** | **(31)** | **(135)** | **6,967** | **128,921** |
| Impacts of new accounting standards | 5 | - | - | - | 5 | 188 |
| Capital increase | - | - | - | - | - | 534 |
| Changes in treasury shares held | - | - | - | - | - | (886) |
| Issuance / redemption of equity instruments | - | - | - | - | - | 6 |
| Remuneration of undated deeply subordinated notes at 2nd semester 2021 | (43) | - | - | - | (43) | (211) |
| Dividends paid in 2nd semester 2021 | (6) | - | - | - | (6) | (6) |
| Dividends received from Regional Banks and their subsidiaries | - | - | - | - | - | - |
| Impact of acquisitions/disposals on non-controlling interests | - | - | - | - | - | - |
| Changes due to share-based payments | 3 | - | - | - | 3 | 19 |
| **Changes due to transactions with shareholders** | **(46)** | **-** | **-** | **-** | **(46)** | **(544)** |
| **Changes in other comprehensive income** | **-** | **19** | **7** | **26** | **26** | **303** |
| *Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves* | - | - | - | - | - | - |
| *Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves* | - | - | - | - | - | - |
| Share of changes in equity-accounted entities | - | 2 | - | 2 | 2 | 52 |
| Net income for 2nd semester 2021 | 397 | - | - | - | 397 | 4,974 |
| Other changes | (134) | - | - | - | (134) | (179) |
| **Equity at 31 December 2021 -3** | **7,324** | **(83)** | **(24)** | **(107)** | **7,217** | **133,715** |
| Appropriation of 2021 net income | - | - | - | - | - | - |
| **Equity at 1 January 2022** | **7,324** | **(83)** | **(24)** | **(107)** | **7,217** | **133,715** |
| Impacts of the adoption of IFRS 9 | - | - | - | - | - | - |
| **Equity at 1 January 2022 published** | **7,324** | **(83)** | **(24)** | **(107)** | **7,217** | **133,715** |
| Capital increase | - | - | - | - | - | (660) |
| Changes in treasury shares held | - | - | - | - | - | 1,033 |
| Issuance / redemption of equity instruments | - | - | - | - | - | 1,090 |
| Remuneration of undated deeply subordinated notes at 1st semester 2022 | (49) | - | - | - | (49) | (255) |
| Dividends paid in 1st semester 2022 | (398) | - | - | - | (398) | (4,128) |
| Dividends received from Regional Banks and their subsidiaries | - | - | - | - | - | 2,149 |
| Impact of acquisitions/disposals on non-controlling interests | - | - | - | - | - | - |
| Changes due to share-based payments | 3 | - | - | - | 3 | 11 |
| **Changes due to transactions with shareholders** | **(444)** | **-** | **-** | **-** | **(444)** | **(760)** |
| **Changes in other comprehensive income** | **(1)** | **(16)** | **22** | **6** | **5** | **(4,281)** |
| *Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves* | (1) | - | 1 | 1 | - | - |
| *Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves* | - | - | - | - | - | - |
| Share of changes in equity-accounted entities | - | 14 | (1) | 13 | 13 | 86 |
| Net income for 1st semester 2022 | 362 | - | - | - | 362 | 4,462 |
| Other changes | (15) | - | - | - | (15) | 5 |
| **EQUITY AT 30 JUNE 2022** | **7,226** | **(86)** | **(3)** | **(89)** | **7,138** | **133,228** |

# CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

**Operating activities** are representative of income-generating activities of the Crédit Agricole Group.

Tax inflows and outflows are included in full within operating activities.

**Investment activities** show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic equity investments classified as "Fair value through profit or loss" or "Fair value through other comprehensive income on items that cannot be reclassified."

Financing activities show the impact of cash inflows and outflows associated with operations of financial structure concerning equity and long-term borrowing.

The **net cash flows** attributable to the operating, investment and financing activities **of discontinued operations** are presented on separate lines in the cash flow statement.

**Net cash and cash equivalents** include cash, debit and credit balances with central banks and debit and credit demand balances with credit institutions.

| *(in millions of euros)* | Notes | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|---|
| **Pre-tax income** | | **5,944** | **12,410** | **6,375** |
| Depreciation, amortisation and impairment of property, plant & equipment and intangible assets | | 913 | 1,912 | 920 |
| Impairment of goodwill and other fixed assets | 6.7 | - | (497) | (379) |
| Net addition to provisions | | (394) | 20,247 | 11,794 |
| Share of net income (loss) of equity-accounted entities | | (426) | (423) | (142) |
| Net income (loss) from investment activities | | (35) | 28 | 23 |
| Net income (loss) from financing activities | | 1,306 | 2,481 | 1,419 |
| Other movements | | (8,592) | 2,360 | 280 |
| **Total Non-cash and other adjustment items included in pre-tax income** | | **(7,228)** | **26,108** | **13,915** |
| Change in interbank items | | 267 | 9,232 | 19,879 |
| Change in customer items | | (10,948) | (6,512) | (702) |
| Change in financial assets and liabilities | | 31,243 | (980) | (6,845) |
| Change in non-financial assets and liabilities | | 1,040 | 4,989 | 10,148 |
| Dividends received from equity-accounted entities [1] | | 206 | 368 | 251 |
| Taxes paid | | (922) | (2,979) | (1,306) |
| **Net change in assets and liabilities used in operating activities** | | **20,886** | **4,118** | **21,425** |
| **Cash provided (used) by discontinued operations** | | **(122)** | **25** | **63** |
| **Total Net cash flows from (used by) operating activities (A)** | | **19,480** | **42,661** | **41,778** |
| **Change in equity investments [2]** | | **(1,418)** | **735** | **2,931** |
| **Change in property, plant & equipment and intangible assets** | | **(777)** | **(1,541)** | **(733)** |
| **Cash provided (used) by discontinued operations** | | **(237)** | **(100)** | **-** |
| **Total Net cash flows from (used by) investing activities (B)** | | **(2,432)** | **(906)** | **2,198** |
| **Cash received from (paid to) shareholders [3]** | | **(807)** | **(2,538)** | **(1,875)** |
| **Other cash provided (used) by financing activities 4** | | **2,398** | **1,723** | **1,236** |
| **Cash provided (used) by discontinued operations** | | **112** | **(3)** | **(101)** |
| **Total Net cash flows from (used by) financing activities (C)** | | **1,703** | **(818)** | **(740)** |
| **Impact of exchange rate changes on cash and cash equivalent (D)** | | **(1,748)** | **(171)** | **(1,020)** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)** | | **17,003** | **40,766** | **42,216** |
| **Cash and cash equivalents at beginning of period** | | **235,708** | **194,942** | **194,942** |
| Net cash accounts and accounts with central banks * | | 240,131 | 196,680 | 196,680 |
| Net demand loans and deposits with credit institutions ** | | (4,423) | (1,738) | (1,738) |
| **Cash and cash equivalents at end of period** | | **252,711** | **235,708** | **237,158** |
| Net cash accounts and accounts with central banks * | | 252,636 | 240,131 | 237,761 |
| Net demand loans and deposits with credit institutions ** | | 75 | (4,423) | (603) |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | **17,003** | **40,766** | **42,216** |

**Consisting of the net balance of the "Cash, central banks" item, excluding accrued interest and including the cash of entities reclassified as discontinued operations.*

***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 and the "Current accounts in credit" and "Overnight accounts and deposits" items as detailed in Note 6.4 (excluding accrued interest).*

*[1] Dividends received from equity-accounted entities:*

*At 30 June 2022, this amount includes the payment of dividends from the insurance entities for +€194 million, from Amundi subsidiaries for +€10 million and from other Crédit Agricole Group entities for +€2 million.*

*[2] Equity investments:*

*This line shows the net effects on cash of acquisitions and disposals of equity investments.*

*- The net impact on Group cash of acquisitions and disposals of consolidated equity investments (subsidiaries and equity-accounted entities) at 30 June 2022 is +€109 million. The principal transactions concerns the disposal of Crédit Agricole Serbie for +€143 million Crédit Agricole SA.*

*- During the same period, the net impact on the Group cash position of acquisitions and disposals of non-consolidated equity investments came to -€1,527 million, essentially from insurance investments.*

*[3] Cash received from (paid to) shareholders:*

*This amount mainly corresponds to -€2,234 million in dividends, excluding dividends paid in shares, distributed by the Crédit Agricole Group. It breaks down as follows:*

*- dividends paid by Crédit Agricole S.A. for -€1,363 million;*

*- dividends paid by the Regional Banks and subsidiaries for -€218 million;*

*- dividends paid by non-controlled interests for -€398 million; and*

*- interest, equivalent to dividends on undated financial instruments treated as equity for -€255 million.*

*This amount also includes capital increases at the Local Banks and Regional Banks for +€400 million and issues and redemptions of equity instruments for -€1,098 million.*

*[4] Other net cash flows from financing activities:*

*As at 30 June 2022, debt issues totalled +€14,651 million and redemptions -€10,617 million. Subordinated debt issues totalled +€314 million and redemptions -€488 million. This line also includes cash flows from interest payments on subordinated debt and bonds for -€1,194 million.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 Group accounting policies and principles, assessments and estimates applied

Crédit Agricole S.A.'s condensed interim consolidated financial statements at 30 June 2022 have been prepared and are presented in accordance with IAS 34 on interim financial reporting, which sets out the minimum content of an interim financial report and the principles for recognition and measurement that should be applied.

The standards and interpretations used to prepare the condensed interim consolidated financial statements are identical to those used by Crédit Agricole S.A. to prepare the consolidated financial statements for the year ended 31 December 2021, established in accordance with Regulation (EC) No. 1606/2002, in conformity with IAS/IFRS standards and IFRIC interpretations as adopted by the European Union (the carve-out version), and therefore include some exemptions from the application of IAS 39 for macro-hedge accounting.

They have been supplemented by the IFRS standards as adopted by the European Union at 30 June 2022 and for which application is mandatory for the first time during financial year 2022.

| Standards, Amendments or Interpretations | Date of first-time application: financial years from | Material impact on the Group |
|---|---|---|
| **Amendment to IAS 16**<br>Property, plant and equipment - Proceeds before intended use | 1 January 2022 | No |
| **Improvements to IFRS 2018–2020 cycle**<br>-**IFRS 1** Subsidiary as a first-time adopter,<br>- **IFRS 9** Derecognition of financial liabilities: fees and costs included in the 10 per cent test,<br>- **IAS 41** Taxation in fair value measurements, and<br>- **IFRS 16** Lease incentives | 1 January 2022 | No |
| **Amendment to IFRS 3**<br>References to the conceptual framework | 1 January 2022 | No |
| **Amendment to IAS 37**<br>Onerous contracts - cost of fulfilling a contract | 1 January 2022 | No |

### STANDARDS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION NOT YET APPLIED BY THE GROUP AS AT 30 JUNE 2022

***IFRS IC decisions that may impact the Group***

This concerns in particular the IFRS IC IFRS 9 / IAS 20 decision on the accounting for TLTRO III transactions.

The ECB set out a third series of long-term refinancing transactions in March 2019, the terms and conditions of which were reviewed in September 2019 and again in March, April and December 2020, in connection with the Covid-19 situation.

The TLTRO III mechanism aims to provide long-term refinancing, with a subsidy in the event of reaching a lending performance target based on growth of lending to firms and households, which is applied over the three-year maturity of the TLTRO transaction. Under this mechanism, there is an additional subsidy that awards two further temporary incentives. The first is applied over the one-year period between June 2020 and June 2021, and the second, over the one-year period from June 2021 to June 2022.

As a reminder, the accounting treatment adopted by the Group since 2020 consists of recognising subsidies as soon as the Group considers that it has reasonable assurance that the level of eligible outstandings will enable it to meet the conditions necessary to obtain these subsidies when they become due to the ECB, i.e. at the end of the TLTRO III transaction, and to attach this subsidy to the period to which it relates on a prorata basis. This treatment is maintained for the accounting period ending on 30 June 2022.

Since the Group has met the performance conditions necessary for the TLTRO subsidy and additional subsidy, the Group will benefit from all the subsidies and additional subsidies at the end of this financing period.

Accordingly, the Group evaluated the accrued interest at the Deposit Facility rate - 50 bp floored at -100 bp for the special interest rate period (1 January 2021 – 23 June 2021 for the period pertaining to financial year 2021), taking into account the achievement of the target applicable to the first incentive period. For the additional special interest rate period (24 June 2021 – 23 June 2022), the interest rate used is also the Deposit Facility rate - 50 bp floored at -100 bp, taking into account the achievement of the target for the level of eligible credits applicable to the second incentive period.

***IFRS 17 Insurance Contracts***

IFRS 17 *Insurance Contracts*, issued in May 2017 and amended in June 2020 to replace IFRS 4, is mandatory for financial years beginning on or after 1 January 2023.

IFRS 17, as adopted by the European Union on 19 November 2021, contains an optional exemption from the standard's annual cohort requirements for intergenerationally-mutualised and cash flow matched contracts.

The Crédit Agricole Group will apply IFRS 17, as well as the changes made by IFRS 17 to other IFRS, in its financial statements for the first time for periods beginning on or after 1 January 2023.

The Crédit Agricole Group has taken steps to implement IFRS 17 within the required time frame. The analysis, preparation and implementation work undertaken since 2017 was pursued during the first half of 2022, and will continue to be carried out until the standard comes into effect on 1 January 2023.

**Changes introduced by IFRS 17 and expected impacts of first-time adoption on financial statements**

IFRS 17 sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts issued and held, and investment contracts with discretionary participation features issued provided the entity also issues insurance contracts.

The nature and impact of the main changes in accounting policies related to the first-time adoption of IFRS 17 are summarised below.

***Changes in recognition and measurement***

The Group accounts for insurance contracts in accordance with IFRS 4 as described in section 1.2. of the financial statements at 31 December 2021. These principles will no longer apply with the implementation of IFRS 17, which sets out new principles for the measurement and recognition of insurance contracts.

IFRS 17 introduces a prospective General Measurement Model for insurance contracts, whereby groups of contracts are measured based on estimates of the present value of future expected cash flows as the services under the insurance contract are provided, an explicit risk adjustment for non-financial risk, and a contractual service margin representing unearned profit.

In summary, the application of the main requirements of IFRS 17 regarding the recognition and measurement of insurance contracts will entail the following for the Group:

- identifying insurance contracts;
- separating specific embedded derivatives, distinct investment components, distinct goods or services other than services provided under the insurance contract;
- grouping insurance contracts based on their characteristics and estimated profitability, which consists, at initial recognition, of identifying portfolios of insurance contracts (contracts that have similar risks and are managed together) and then dividing each of these portfolios into three groups (onerous contracts, contracts that have no significant possibility of becoming onerous, and remaining contracts);
- on initial recognition, recognising and measuring the groups of contracts at the total of:

  - o the fulfilment cash flows; and
  - o the Contractual Service Margin (CSM), which represents the unearned profit that will be recognised in profit or loss as the services under the insurance contract are provided to policyholders; if a group of contracts is expected to be onerous over the remaining period of coverage, a loss is immediately recognised in profit or loss;
- ▪ recognising and measuring groups of contracts at each subsequent reporting period at the total of:
  - o the liability for the remaining coverage, comprising the fulfilment cash flows relating to future services and the contractual service margin at that date; and
  - o the liability for incurred claims, comprising the fulfilment cash flows relating to past services.
- ▪ recognising an asset for insurance acquisition cash flows representing acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised.

The General Measurement Model for contracts is adapted for certain contracts with specific characteristics.

For insurance contracts with direct participation features, the standard requires the application of a measurement model known as the Variable Fee Approach (VFA). Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which an entity promises a return based on underlying items.

For such contracts, the General Measurement Model's subsequent measurement requirements are modified in order to reflect the fact that the contracts establish an obligation for the entity to pay policyholders an amount equal to the fair value of specified underlying items less variable fees that compensate for the services provided and are determined on the basis of the underlying items.

In addition, the standard allows a simplified measurement model, known as the Premium Allocation Approach (PAA), to be applied to measure the liability for the remaining coverage of a group of contracts, provided that this measurement is not materially different from that which would result from the application of the General Measurement Model, or that the period of coverage of each of the contracts in the group does not exceed one year. This approach is similar to that applied under IFRS 4.

***Main accounting policies***

The Group's project to implement the provisions of the standard focused in particular on defining the main methodological guidelines and choosing the options allowed by the standard. This work on methodology is currently being finalised as part of the preparation of the balance sheet at the date of transition. The key accounting assessments, estimates and policies summarised below are therefore likely to be further refined between now and the date the standard comes into effect.

The main accounting policies that will be adopted on first-time adoption of IFRS 17, as planned by the Group at this stage of the implementation project, relate to the following components.

The allocation of portfolios into groups based on the expected profitability of the contracts has been done on the basis of different information such as contract pricing, past profitability of similar contracts, or forward-looking plans.

The Group intends to use the exemption from the annual cohort requirement for intergenerationally-mutualised contracts as provided for in IFRS 17 and as adopted by the European Union. This accounting policy choice will be applied in particular to the portfolios relating to the Group's savings and retirement activities in France and Luxembourg.

Under IFRS 17, discount rates are a key parameter for measuring insurance contracts. In particular, they are used to measure fulfilment cash flows and, in respect of insurance contracts without direct participation features, to determine the interest to be capitalised on the Contractual Service Margin (CSM), to measure changes in the CSM and to determine the amount of insurance finance income or expense recognised in profit or loss when the Other Comprehensive Income (OCI) option is applied. IFRS 17 does not require a specific estimation method for the determination of discount rates, but it does require that the method takes into account factors that arise from the time value of money, cash flow characteristics and liquidity characteristics of insurance contracts, and maximises the use of observable inputs. The methodology used by the Group to define the discount curve is based on a risk-free yield curve with an adjustment for an illiquidity premium reflecting the cash flow characteristics and liquidity of the insurance contracts.

The estimate of the present value of future cash flows requires an explicit risk adjustment for non-financial risk in order to reflect the compensation required by the entity for the uncertainty about the amount and timing of cash flows that arises from non-financial risk. The Group will use the confidence level technique for determining the risk adjustment for all of its contracts. This adjustment will reflect the diversification benefits at the entity level, determined using a correlation matrix. Diversification between entities will also be taken into account.

The Group will apply the PAA method to its property and casualty insurance business. Most of the relevant groups of contracts meet the second eligibility condition, i.e. the period of coverage of each contract in the group is less than or equal to one year.

The Variable Fee Approach (VFA) is a mandatory measurement method for insurance contracts with direct participation features which, from an accounting point of view, reflects the specific nature of the services provided by these contracts (see above). The Group assessed whether the three conditions outlined above were met in order to determine which of its contracts qualified as insurance contracts with direct participation features. Therefore, the Group's savings, retirement and funeral business activities will be valued using this approach.

For the purpose of determining the amount of Contractual Service Margin (CSM) of a group of contracts to be recognised in profit or loss to reflect the services provided in each period, it is necessary to identify the coverage units in the group of contracts and to allocate the CSM equally to each coverage unit at the end of the reporting period. The standard does not specify the appropriate indicator to be used to reflect the volume of services provided in the period. The methodology used by the Group to identify the coverage units and consequently the expected timing of recognition of the CSM in profit or loss will be adapted to the characteristics of the relevant contracts.

The provisions of the standard require that investment components, which should not be recognised in insurance income and expenses, be identified. The main investment components identified by the Group relate to savings and retirement contracts with an explicit surrender or transfer value. In non-life insurance, insurance contracts issued by the Group do not normally contain an investment component.

Lastly, with regard to the effects of the implementation of IFRS 17 and IFRS 9 (or other standards relating to financial assets), the Group:

- will make specific accounting policy choices to ensure that there are no accounting mismatches when implementing these standards;
- will make the accounting policy choice to use the option ("OCI option") to allocate insurance finance income or expense for the period between profit or loss and other comprehensive income for most of its insurance portfolios;
- will make certain changes to the classification and designation of its financial assets at the date of first application (see below).

***Changes in presentation and disclosure requirements in the notes***

In accordance with the presentation requirements under IFRS 17 (and IAS 1 as amended by IFRS 17), the presentation of items relating to insurance contracts in the balance sheet, income statement (statement of profit or loss) and statement of net income and other comprehensive income will change from the current presentation.

The carrying amount of insurance and reinsurance contract portfolios recognised under IFRS 17 will now be presented in full under the following four new balance sheet items:

- portfolios of insurance contracts issued that are assets;
- portfolios of insurance contracts issued that are liabilities;
- portfolios of reinsurance contracts held that are assets; and
- portfolios of reinsurance contracts held that are liabilities.

Income and expenses relating to insurance activities recognised under IFRS 17 will be presented separately in the following new income statement line items:

- income from insurance activities related to insurance contracts issued;
- expenses arising from insurance activities related to insurance contracts issued;
- income and expenses related to reinsurance contracts held;
- insurance finance income or expense; and
- insurance finance income or expense related to reinsurance contracts held.

The line item "expenses arising from insurance activities related to insurance contracts issued" includes general expenses directly incurred as a result of the performance of insurance contracts, which will be presented as a deduction from revenues, rather than as general operating expenses in the income statement.

Lastly, the statement of net income and other comprehensive income will present line items relating to insurance finance income or expenses directly recognised in equity in accordance with the OCI option.

***Transition***

In accordance with the full retrospective approach required under the transition provisions of IFRS 17 (unless impracticable), the Group will, at the date of transition (1 January 2022):

- identify, recognise and measure each group of insurance contracts as if it had always applied IFRS 17;
- identify, recognise and measure assets for insurance acquisition cash flows, if any, as if it had always applied IFRS 17 (but without being required to make an assessment of their recoverability before the date of transition);
- derecognise balances that would not exist if it had always applied IFRS 17; and
- recognise any remaining net difference in equity.

If the retrospective application of the standard is impracticable for the measurement of a group of insurance contracts or an asset for insurance acquisition cash flows, the Group may choose either of the two alternative approaches provided by the transition provisions of the standard (modified retrospective approach or fair value approach).

The Group will mainly use the modified retrospective approach to measure the groups of insurance contracts recognised at the date of transition. The Group does not intend to use the fair value approach at this stage. The Group determined that the full retrospective approach was impracticable for the relevant groups of contracts due to the unavailability of all the information necessary for a full retrospective application of the standard (not only in terms of data collected, but also in terms of assumptions or estimates made in prior accounting periods).

The main changes to the modified retrospective approach that the Group plans to use for the measurement of certain groups of contracts at the date of transition are as follows:

- the identification of groups of insurance contracts and determination of which contracts qualify as insurance contracts with direct participation features based on the information available at the date of transition;
- the exemption from the requirement to form groups in such a way that they do not include contracts issued more than one year apart;
- the determination of the CSM (or loss component, if any) for groups of insurance contracts with direct participation features at the date of transition, by calculating an approximate total CSM for all services to be provided in respect of the group of contracts and deducting the amount of CSM relating to services provided before that date from the total CSM;
- the determination, in the event that the OCI option is applied, of the cumulative amount of insurance finance income or expenses recognised in equity at the date of transition.

In accordance with the transition provisions of IFRS 17, the Crédit Agricole Group, which applies IFRS 9 for financial assets held for insurance purposes, is allowed – and where permitted by the standard – to change its previously applied classifications and designations of financial assets (in accordance with the classification provisions of IFRS 9) at the date of first-time adoption of IFRS 17. The scope and volume of financial assets to be reclassified are currently under consideration by the Group. The reclassifications currently being envisaged relate to the revaluation of the business model for some debt instruments and the designation of some equity instruments at fair value through other comprehensive income.

The reclassifications envisaged to date relates to the revaluation of the business model of certain debt instruments and the designation of certain equity instruments at fair value through equity.

# NOTE 2 Major structural transactions and material events during the period

## 2.1 Information concerning the scope of consolidation as at 30 June 2022

The consolidated financial statements include the financial statements of Crédit Agricole S.A. and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole S.A. exercises control, joint control or significant influence, except for those that are not material in relation to all the companies included in the scope of consolidation.

### 2.1.1 ENTITIES IN THE SCOPE OF CONSOLIDATION FOR WHICH A CHANGE IN THE PERCENTAGE OF CONTROL OR INTEREST IS GREATER THAN 10% IN THE FIRST HALF OF 2022 WITHOUT RESULTING IN A CHANGE IN THE CONSOLIDATION METHOD

| Principal place of business | Crédit Agricole Group<br>Scope of consolidation | Consolidation method | Scope changes (a) | Nature of control* (b) | Activity (c) | % control | | % interest | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 30/06/2022 | 31/12/2021 | 30/06/2022 | 31/12/2021 |
| Italy | | | | | | | | | |
| | CREVAL PIU'FACTOR S.P.A. | Full | - | Subsidiary | IRB | 100.0 | 100.0 | 100.0 | 76.2 |
| | GENERALFINANCE S.P.A. | Equity Accounted | - | Joint venture | IRB | 19.7 | 46.8 | 17.1 | 35.7 |

* Excluding Entities, joint ventures and structured associates

### 2.1.2 CHANGES IN THE SCOPE OF CONSOLIDATION LEADING TO A CHANGE IN THE SCOPE OR METHOD OF CONSOLIDATION

| Principal place of business | Crédit Agricole Group<br>Scope of consolidation | Consolidation method | Scope changes (a) | Nature of control (b) | Activity (c) | % control | | % interest | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 30/06/2022 | 31/12/2021 | 30/06/2022 | 31/12/2021 |
| Australia | | | | | | | | | |
| | *Crédit Agricole CIB (Australie)* | Full | I2 | *Branch* | LC | 100.0 | - | 100.0 | - |
| Austria | | | | | | | | | |
| | CAA STERN GMBH[1] | Full | I1 | Subsidiary | AG | 100.0 | - | 100.0 | - |
| Belgium | | | | | | | | | |
| | CACEIS Belgium | Full | E4 | Subsidiary | LC | - | 100.0 | - | 69.5 |
| Denmark | | | | | | | | | |
| | A LEASE & MOBILITY A/S | Equity Accounted | I2 | Joint venture | SFS | 50.0 | - | 50.0 | - |
| France | | | | | | | | | |
| | 1 BD MONGE | Full | E2 | Subsidiary | FRB | - | 100.0 | - | 100.0 |
| | 57 RUE MARCHANDE | Full | E1 | Subsidiary | FRB | - | 100.0 | - | 100.0 |
| | ADIMMO | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | ARMOR CROISSANCE | Full | I2 | Subsidiary | FRB | 100.0 | - | 100.0 | - |
| | CABINET ESPARGILIERE | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | Clifap | Full | E3 | Subsidiary | LC | - | 100.0 | - | 100.0 |
| | *FCA BANK SUCCURSALE EN France* | Equity Accounted | O1 | *Branch* | SFS | 50.0 | 50.0 | 50.0 | 50.0 |
| | Finaref Assurances S.A.S. | Full | E5 | Subsidiary | SFS | - | 100.0 | - | 100.0 |

| Principal place of business | Crédit Agricole Group Scope of consolidation | Consolidation method | Scope changes (a) | Nature of control (b) | Activity (c) | % control 30/06/2022 | % control 31/12/2021 | % interest 30/06/2022 | % interest 31/12/2021 |
|---|---|---|---|---|---|---|---|---|---|
| | GEST'HOME | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | IMEFA CENT QUATRE VINGT SEPT | Full | I1 | Subsidiary | AG | 65.2 | - | 65.2 | - |
| | L&E Services | Full | I1 | Subsidiary | LC | 100.0 | - | 100.0 | - |
| | LIEUTAUD | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | LIEUTAUD GESTION | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | LOCAFLEX | Full | E1 | Subsidiary | FRB | - | 100.0 | - | 100.0 |
| | LOCAGUET | Full | E1 | Subsidiary | FRB | - | 100.0 | - | 100.0 |
| | LYXOR ASSET MANAGEMENT | Full | E4 | Subsidiary | AG | - | 100.0 | - | 69.5 |
| | LYXOR INTERNATIONAL ASSET MANAGEMENT | Full | E4 | Subsidiary | AG | - | 100.0 | - | 69.5 |
| | MATHIEU IMMOFICE | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | La Médicale | Full | O4 | Subsidiary | AG | 100.0 | 100.0 | 100.0 | 100.0 |
| | MIDCAP ADVISORS SAS (EX SODICA) | Full | O1 | Subsidiary | LC | 100.0 | - | 100.0 | - |
| | NEIGE ET SOLEIL VDSP | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | NMP HEINRICH | Full | I2 | Subsidiary | FRB | 100.0 | - | 100.0 | - |
| | Run Cartes | Full | E5 | Subsidiary | FRB | - | 60.0 | - | 51.6 |
| | SAS RUE LENEPVEU | Full | I1 | Subsidiary | FRB | 100.0 | - | 100.0 | - |
| | SAS SQUARE HABITAT PROVENCE CO | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | SCI 18 RUE VICTORIEN SARDOU | Full | I2 | Subsidiary | FRB | 100.0 | - | 100.0 | - |
| | SCI GREENWICH | Full | I2 | Subsidiary | FRB | 100.0 | - | 100.0 | - |
| | SCI PARKING JDL | Full | I2 | Subsidiary | FRB | 100.0 | - | 100.0 | - |
| | SCI SERENA | Full | I2 | Subsidiary | FRB | 100.0 | - | 100.0 | - |
| | SILOS DE JONAGE | Full | E1 | Subsidiary | FRB | - | 100.0 | - | 100.0 |
| | SQUARE HABITAT CENTRE OUEST | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | SQUARE HABITAT CREDIT AGRICOLE | Full | I1 | Subsidiary | CC | 100.0 | - | 99.4 | - |
| | Square Habitat Gestion Sud Rhône Alpes | Full | E4 | Subsidiary | FRB | - | 100.0 | - | 100.0 |
| | Valeurs Monétiques | Full | E5 | Subsidiary | FRB | - | 100.0 | - | 86.0 |
| **Italy** | | | | | | | | | |
| | BANCO PICCOLO CREDITO VALTELLINESE S.P.A.. | Full | E4 | Subsidiary | IRB | - | 100.0 | - | 84.9 |
| | CREVAL COVERED BOND S.R.L. | Equity Accounted | E2 | Joint venture | IRB | - | 60.0 | - | 45.8 |
| | GLOBAL BROKER S.P.A. | Equity Accounted | E3 | Joint venture | IRB | - | 30.0 | - | 22.9 |
| | RAJNA IMMOBILIARE S.R.L. | Equity Accounted | E3 | Joint venture | IRB | - | 50.0 | - | 38.1 |
| | SONDRIO CITTA' FUTURA S.R.L. | Equity Accounted | E2 | Joint venture | IRB | - | 49.0 | - | 37.4 |
| | STELLINE REAL ESTATE S.P.A. | Full | E3 | Subsidiary | IRB | - | 100.0 | - | 76.2 |
| | VALTELLINA GOLF CLUB S.P.A. | Equity Accounted | E3 | Joint venture | IRB | - | 43.1 | - | 32.8 |
| **Morocco** | | | | | | | | | |
| | Crédit du Maroc | Full | O4 | Subsidiary | IRB | 78.7 | 78.7 | 78.7 | 78.7 |
| | Crédit du Maroc Leasing et Factoring | Full | O4 | Subsidiary | SFS | 100.0 | 100.0 | 85.8 | 85.8 |
| | SIFIM | Full | O4 | Joint venture | IRB | 100.0 | 100.0 | 78.7 | 78.7 |
| **Poland** | | | | | | | | | |
| | FCA LEASING POLSKA SP Z.O.O | Full | I2 | Subsidiary | SFS | 50.0 | - | 50.0 | - |
| **Portugal** | | | | | | | | | |
| | *FCA CAPITAL PORTUGUESE BRANCH* | Equity Accounted | O1 | *Branch* | SFS | 50.0 | 50.0 | 50.0 | 50.0 |
| | SADO RENT S.A | Equity Accounted | I2 | Joint venture | SFS | 50.0 | - | 50.0 | - |

| Principal place of business | Crédit Agricole Group Scope of consolidation | Consolidation method | Scope changes (a) | Nature of control (b) | Activity (c) | % control 30/06/2022 | % control 31/12/2021 | % interest 30/06/2022 | % interest 31/12/2021 |
|---|---|---|---|---|---|---|---|---|---|
| Serbia | | | | | | | | | |
| | Crédit Agricole Banka Srbija a.d. Novi Sad | Full | E2 | Subsidiary | IRB | - | 100.0 | - | 100.0 |
| Spain | | | | | | | | | |
| | CACEIS FUND ADMINISTRATION, SUCURSAL EN ESPANA | Full | I2 | Branch | LC | 100.0 | - | 69.5 | - |
| | CACEIS FUND SERVICES SPAIN S.A.U | Full | O1 | Subsidiary | LC | 100.0 | 100.0 | 69.5 | 69.5 |
| United States | | | | | | | | | |
| | *Crédit Agricole CIB (Miami)* | Full | E1 | *Branch* | LC | - | 100.0 | - | 100.0 |
| | LYXOR ASSET MANAGEMENT HOLDING CORP | Full | E4 | Subsidiary | AG | - | 100.0 | - | 69.5 |

* Excluding Entities, joint ventures and structured associates

Branches are mentioned in italic

**Scope changes (a)**

**Inclusions (I) into the scope of consolidation**

I1 : Breach of threshold

I2 : Creation

I3 : Acquisition (including controlling interests)

**Exclusions (E) from the scope of consolidation :**

E1 : Discontinuation of business (inclunding dissolution and liquidation)

E2 : Sale to non Group companies or deconsolidation following loss of control

E3 : Deconsolidated due to non-materiality

E4 : Meger or takeover

E5 : Transfer of all assets and liabilities

**Other (O) :**

O1 : Change of company name

O2 : Change in consolidation method

O3 : First time listed in the Note on scope of consolidation

O4 : Entities classified as Non-current Assets Held for Sale and Discontinued Operations

**Type of entity and control nature (b)**

Subsidiary

Branch

Joint venture

Joint operation

Associate

**Type of activity (c)**

FRB : French retail banking

IRB : International retail banking

AG : Asset gathering

LC : Large customers

SFS : Specialised financial services

CC : Corporate centre

## 2.2 Main changes in the scope of consolidation

### 2.2.1 CREDIT DU MAROC DISPOSAL PLAN (IFRS 5)

Crédit du Maroc is subsidiary in which Crédit Agricole S.A. holds a 78.70% interest as at 30 June 2022.

On 26 April 2022, a sale agreement was signed with the Moroccan group Holmarcom, providing for a two-stage sale of Crédit Agricole S.A.'s stake after approval by the Moroccan regulatory authorities:

- By the end of 2022, disposal of 63.7% of the Crédit du Maroc shares held by Crédit Agricole S.A.
- Then, 18 months later, disposal of the remaining 15% of shares held by Crédit Agricole S.A.

Pursuant to IFRS 5, the assets and liabilities of Crédit du Maroc are classified as at 30 June 2022 in the balance sheet under "Non-current assets held for sale" for the sum of €5,632 million and under "Liabilities associated with non-current assets held for sale" for the sum of €4,885 million. The net income is classified under "Net income from discontinued or held-for-sale operations" for the sum of €9.4 million.

### 2.2.2 DISPOSAL OF CRÉDIT AGRICOLE CIB (MIAMI) GOODWILL TO SANTANDER

Crédit Agricole CIB (Miami) is a branch of Crédit Agricole CIB (CACIB), which is in turn 97.8% controlled by Crédit Agricole S.A.

In 2020, the Executive Management of Crédit Agricole S.A. and CACIB began the process of putting the goodwill associated with outstanding loans to customers of the Crédit Agricole CIB (Miami) branch of CACIB up for sale.

The assets and liabilities of Crédit Agricole CIB (Miami) have thus been reclassified under IFRS 5 in the consolidated financial statements of Crédit Agricole S.A. as at 31 December 2020.

Negotiations conducted with Santander bank since January 2021 have resulted in the execution of a disposal contract on the 17 May 2021 for a part of the commercial activity of the branch Crédit Agricole CIB (Miami) of Crédit Agricole CIB (CACIB) and a supplement on 14 June 2021 for a total amount of €27 million. On 14 June 2022, a price supplement of €4.5 million was received less a tax charge of €1.06 million. These were recognised in "Net income from discontinued or held-for-sale operations".

The branch terminated all of its remaining operations and surrendered its licence to the local regulator on 27 April 2022.

### 2.2.3 DISPOSAL OF CRÉDIT AGRICOLE SERBIE

As at 31 December 2021, the assets and liabilities of Crédit Agricole Serbia, a wholly owned subsidiary, were classified in the consolidated financial statements of the Crédit Agricole Group pursuant to IFRS 5, following the signing of a disposal agreement on 5 August 2021 with Raiffeisen Banka A D. Serbia, a subsidiary of the Austrian bank Raiffeisen Bank International AG.

On 1 April 2022, the sale of Crédit Agricole Serbia to Raiffeisen Banka A D. Serbia was completed. The approval of the Serbian regulatory authority has been obtained prior to that date.

As at 30 June 2022, the disposal of Crédit Agricole Serbia had no material impact on Crédit Agricole S.A.'s consolidated financial statements.

## 2.3 Exceptional dividends from Crédit Agricole Assurance to Crédit Agricole SA

Crédit Agricole Assurances paid an exceptional dividend of €2 billion to Crédit Agricole S.A. This payout reflects the exceptional dividend policy of Crédit Agricole S.A., which aims to offset the impact on the CET1 capital of Crédit Agricole S.A. of the application of the new IFRS 17 accounting standard.

## 2.4 Impacts related to the Russia/Ukraine war

At the end of February 2022, tensions between Russia and Ukraine have led to an armed conflict, the scale and duration of which, as well as its economic and financial impacts, are highly uncertain. In the situation of war, the Crédit Agricole Group indicates that it provides equipment and financial support to employees and their families. This mobilisation thus enables the continuity of essential services to customers.

Crédit Agricole S.A. remains directly and indirectly exposed to Ukraine and Russia:

- In Ukraine, commercial lending represents €1.7 billion as at 30 June 2022. Nearly all loans are recognised at Crédit Agricole Ukraine level and are locally financed. Since 24 February, the exposures have been frozen (cessation of production and moratoria on loan amortisation), and as at 30 June 2022, Crédit Agricole Ukraine remains a short-term liquidity provider to Crédit Agricole S.A. The risks on these exposures led to the provisioning of €245 million in the first half of 2022(including a provision of €195 million constituted as of 31 March 2022).
- In Russia, the Group has stopped any new financing to Russian companies since the beginning of the conflict and any commercial activity in the country. Exposures recognised in the subsidiary CACIB AO (on-shore exposures) amounted to €0.7 billion at 30 June 2022 compared with €0.5 billion at 31 December 2021. This progression is due on the one hand to an increase in deposits with the central bank of Russia following the increase in customer deposits and on the other hand due to an exchange impact linked to the appreciation of the Russian currency between 31 December 2021 and 30 June 2022. The subsidiary's own funds amounted to approximately €195 million equivalent including approximately €120 million in equity and €75 million in subordinated debt as of 30 June 2022 (up since 31 December 2021 due to the appreciation of the local currency).

  Exposures[1] recognised outside CACIB AO (off-shore exposures) amounted to €3.3 billion at 30 June 2022 (including €3.0 billion were recorded on the balance sheet[2]). A decrease of -€1.1 billion compared to 31 December 2021 and -€1.4 billion since the beginning of the conflict at the end of February. The non-balance sheet share of off-shore exposures (documentary credits, financial guarantees and, to a lesser extent, undrawn confirmed credit facilities) was €0.3 billion at 30 June 2022, a significant decrease of -€1.2 billion since 31 December 2021 and -€1.3 billion since the outbreak of the conflict.

  Due to the conflict and subsequent international sanctions, the quality of the portfolio (rated at 96% Investment grade as of 31 December 2021 and composed mainly of large Russian companies, including producers and exporters of raw materials) has been downgraded on 31 March 2022 in the Group's internal rating scale. Thus, the performing exposures (stages 1&2) were provisioned for €304 million while the proven risks (stage 3) were subject to specific provisions for €73 million.

  Russian exposure of Indosuez Wealth Management amounted to €231 million at 30 June 2022, a slight decrease since 31 December 2021 (€250 million).

  The risk of variation related to derivatives transactions remains limited and amounted to €25 million at 30 June 2022 (against €60 million at 31 December 2021)

  In total, these exposures, of limited size, or less than 0.9% of Crédit Agricole CIB's total exposures as of 30 June 2022, continue to be closely monitored and almost all due dates have been honored since the beginning of the conflict.

[1] *On and off-balance sheet commercial commitments of customers and banks, net of guarantees from export credit agencies, excluding variation risk.*

[2] *Used portion of credit facilities.*

# NOTE 3 Credit risk

(See Chapter "Risk factors – Credit risk")

## 3.1.1 ASSESSMENT OF THE CREDIT RISK

In order to take into account the impacts of the Russian-Ukrainian conflict and the continuing COVID-19 crisis on the economic context, the Group updated its forward-looking macroeconomic projections for determination of the credit risk estimate for the Q2 2022 period.

**Information on the macroeconomic scenarios used for Q2-2022**

The Group used four scenarios for calculating IFRS 9 provisioning parameters in production on June 2022 with the following projections for 2023.

These four scenarios integrate assumptions differentiated both on the impacts of the Covid-19 crisis and on the impacts of the Russian-Ukrainian conflict and its repercussions on the economic context (inflation up, downward revision of GDP).

As a reminder, the macroeconomic projections are based on an end-2021 that recorded strong GDP growth in the eurozone and the United States, but also the beginning of an inflation shock (core inflation at 5.5% year-on-year at December in the United States and 5% for the eurozone).

### First scenario: "Central" scenario

This provides a "median" geopolitical scenario, with the continuation of the conflict in Ukraine, sanctions maintained in 2022-2023 and a form of agreement to end the crisis in the medium term.

Sharp acceleration of inflation in the eurozone:

Average inflation in the eurozone rises very sharply in 2022 to then drop gradually (it would reach an average 6.5% in the zone in 2022, after 2.6% in 2021). This is related to the post-Covid-19 recovery and to the Russian-Ukrainian conflict, with a shock to energy prices and a hike in the price of inputs (metals, agricultural products and others). More generally, we find an increase in intermediate costs, supply chain problems, a disturbance in value chains and risks of shortages.

These shocks lead to a downward revision of growth in the eurozone. Production in certain sectors is impacted by higher intermediate costs and the disturbances in the value chains. Business profitability is degraded, resulting in a brake on investment. Household purchasing power is lowered by the inflationary shock. Salary increases remain fairly moderate and confidence deteriorates. This creates a reservoir of savings that may mitigate these negative impacts, but slow consumption.

These negative impacts are partially mitigated by budget support measures. In total, 2022 growth is revised from 4.1% to 3.3% in France and from 3.9% to 2.9% in the eurozone.

**This inflationary shock leads to a tightening of monetary policies.**

In the United States, the Fed continues to raise its interests faster until early in 2023 before stabilising them. The "Quantitative Tightening" is earlier and faster than projected. However, the hikes in long rates are more measured, with even a gradual drop in mid-2022 (slowdown of growth and gradual slowing of inflation).

In the eurozone, the monetary tightening is more prudent and less rapid as inflation had increased later. After stabilising its balance sheet, the European Central Bank (ECB) begins to raise its key interest rates in the second half of 2022 and will continue to raise them in 2023.

Long rates rise in the eurozone, but the rate curve flattens as the ECB progresses in its monetary adjustments. The spreads widen, particularly in Italy, at the approach to political elections, but the ECB will work to correct unjustified widening of the spreads.

### Second scenario: "Moderate adverse" scenario

**Geopolitical scenario**: persistence and impact of the conflict more intense than in the central scenario.

**More pronounced shock to energy prices**: China decides not to make massive purchases of Russian oil and not to offset the drop in European purchases; the sanctions are maintained on Iran and Venezuela and Saudi Arabia's response is insufficient. As a result, the oil supply is reduced, demand is then concentrated on oil from the Middle East and the North Sea, and there is strong pressure on oil prices in 2022-2023, which approach $180/barrel. **The inflation shock is greater than in the first scenario in 2022-2023.**

**The budget and monetary response remains measured.** European governments do not massively react to this inflationary shock: budgetary support measures are limited. The Fed and the ECB raise their rates a little more rapidly than in the central scenario in the face of higher and more lasting inflation. This affects growth and has little effect on inflation. The Bund remains very low (refuge security), but the France and Italy spreads widen (fragmentation phenomenon, concerns about the sustainability of the debt).

**"Stagflation" in the eurozone.** In this scenario, the eurozone enters a phase of decline in purchasing power, a new slowing of consumption, sharp deterioration of corporate profits, a rise in unemployment as well as bankruptcies. However, there is not an annual decline in GDP in 2022-2023, but growth clearly slows. A downturn in the stock markets and a measured correction in real estate are projected for the eurozone in this scenario.

### Third scenario: "Favourable" scenario

In this favourable scenario, it is assumed that China intervenes in the negotiations related to the Russian-Ukrainian conflict and that the conflict is settled more rapidly than in the "central" scenario. In this case, sanctions on Russia are extended, but lightened. Energy prices drop fairly rapidly. We see progressive calming on the prices of metals and grains, but some production chains remain disturbed for a long period.

**In the eurozone,** this scenario leads to a sharp decline in inflation and an upswing in the confidence and expectations of customer types. We see a recovery of consumption related to the improved in purchasing power, restored confidence and the use of a portion of the accumulated savings surplus. The improvement in expectations and the partial reabsorption of supply pressures lead to a recovery in investment expenditures in 2022-2023.

**Financial changes**

The Fed's tightening is more measured than in the central scenario, and American long rates are slightly lower. Likewise, the Bund remains low, slightly below the level used in the central scenario, linked to the change in American long rates and the policy of the ECB. The French and Italian spreads are similar to those in the central scenario. The stock market and real estate markets trend upward.

### Fourth scenario: "Severe adverse" scenario

**The shock on oil prices and inflation in the second scenario is intensified.**

In this scenario, the sanctions are strengthened and even greater supply problems appear. We see a continuation of the conflict, leading to a sharp reduction in imports of Russian oil by the European countries. China doesn't purchase enough oil from Russia to free up the oil supply from the Gulf. Sanctions on Iran and Venezuela are maintained and Saudi Arabia's response proves to be insufficient. As a result, we see a very significant increase in oil prices: oil prices are close to $200/barrel in 2022-2023. The inflationary shock is very strong.

**Monetary policy errors**

The main difference from the second scenario is the result of monetary policies. Faced with very high inflation numbers, the Fed sharply raises the rate of the Fed Funds in the second half of 2022 and 2023, without, however, controlling inflation: strong concerns from investors and a sharp rise in American long rates.

Likewise, the ECB raises its rates more sharply and more rapidly than in the moderate adverse scenario(Bund rises). This results in a much sharper increase in French Treasury bonds (OAT) and Italian BTPs: there is a fragmentation phenomenon coupled with serious investor uncertainties.

**Slight recession in the eurozone**

We see a sharp increase in inflation and a significant rise in financing costs. This drives a decline in purchasing power and a very sharp slowdown in consumption. The eurozone then sees a serious deterioration in the business climate and a slight drop in investment expenditures, coupled with specific risks in certain countries, notably in France (substantial social conflicts). As a result, there is a slight recession in the eurozone in 2023, as well as a net decline in the stock markets and a significant correction in the real estate sector.

Focus on the changes in the main macroeconomic variables in the four scenarios:

| | Ref. | Central scenario | | | | Moderate adverse | | | | Favourable scenario | | | | Severe adverse | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2022 | 2023 | 2024 | 2025 | 2022 | 2023 | 2024 | 2025 | 2022 | 2023 | 2024 | 2025 |
| GDP - Eurozone | 5.2 | 2.9 | 2.4 | 1.8 | 1.4 | 1.8 | 0.6 | 1.1 | 1.2 | 3.9 | 2.9 | 1.7 | 1.3 | 1.0 | -0.8 | 0.3 | 0.9 |
| Unemployment rate – eurozone | 7.8 | 7.3 | 7.0 | 6.8 | 6.7 | 7.3 | 7.4 | 7.3 | 7.3 | 6.7 | 6.1 | 5.9 | 5.8 | 7.5 | 8.0 | 8.2 | 8.2 |
| Inflation rate – eurozone | 2.6 | 6.5 | 3.0 | 2.5 | 2.0 | 7.9 | 4.8 | 1.3 | 0.7 | 5.3 | 2.3 | 1.5 | 1.2 | 8.6 | 4.5 | 0.8 | 0.6 |
| GDP - France | 7.0 | 3.3 | 2.1 | 1.8 | 1.5 | 2.4 | 0.9 | 2.0 | 1.6 | 4.0 | 2.5 | 2.0 | 1.7 | 1.9 | -0.3 | 1.2 | 1.2 |
| Unemployment rate - France | 7.9 | 7.5 | 7.4 | 7.2 | 7.0 | 7.8 | 8.3 | 8.0 | 7.9 | 7.2 | 6.9 | 6.7 | 6.6 | 8.2 | 9.0 | 8.7 | 8.5 |
| Inflation rate - France | 1.6 | 4.2 | 2.5 | 2.3 | 1.8 | 5.5 | 3.9 | 0.9 | 0.5 | 3.6 | 2 | 1.7 | 1.4 | 6.1 | 4.6 | 0.6 | 0 |
| 10-year OAT | 0.2 | 1.4 | 1.5 | 1.6 | 1.6 | 1.8 | 2.2 | 1.9 | 1.9 | 1 | 1.35 | 1.5 | 1.5 | 2.6 | 3.3 | 2.8 | 2.8 |

At the end of June 2022, including local forward-looking scenarios, the share of Stage 1/Stage 2 provisions on the one hand (provisions for performing customer loans) and Stage 3 provisions on the other hand (provisions for proven risks) represented 43% and 57% of hedging portfolios for the Crédit Agricole Group (P4).

At the end of June 2022, net additions to Stage 1/Stage 2 provisions represented 44% of the Crédit Agricole Group's (P4) half-year cost of risk compared to 56% for the Stage 3 share of proven risks and other provisions.

### Sensitivity analysis of the macroeconomic scenarios in the calculation of IFRS 9 provisions (ECL Stage 1 and 2) on the basis of the central parameters

The central scenario is currently weighted at 55 % for the calculation of the central IFRS ECL of Q2-2022.

Scope: Crédit Agricole Group:

| Change in ECL from transition to a 100% scenario (Crédit Agricole Group scope) | | | |
|---|---|---|---|
| **Central scenario** | **Moderate adverse** | **Severe adverse** | **Favourable scenario** |
| -3.3% | +4.0% | +11.3% | -7.9% |

This sensitivity on the ECLs defined under the central parameters may be subject to adjustments for local forward-looking projects which, as applicable, could reduce it or increase it.

## 3.1 Change in carrying amounts and value corrections for losses over the period

Value adjustments for losses correspond to the impairment of assets and to provisions for off-balance sheet commitments recognised in net income ("Cost of risk") relating to credit risk.

The following tables present a reconciliation of the opening and closing balances of value adjustments for losses recognised under "Cost of risk" and associated carrying amounts, by accounting category and type of instrument.

## FINANCIAL ASSETS AT AMORTISED COST: DEBT SECURITIES

| (in millions of euros) | Performing assets | | | | Credit-impaired assets (Stage 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Assets subject to 12-month ECL (Stage 1) | | Assets subject to lifetime ECL (Stage 2) | | | | | | |
| | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | **Gross carrying amount (a)** | **Loss allowance (b)** | **Net carrying amount (a) + (b)** |
| **Balance at 31 december 2021** | **109,866** | **(47)** | **173** | **(5)** | **50** | **(47)** | **110,087** | **(99)** | **109,988** |
| **Transfers between stages during the period** | **(20)** | **-** | **20** | **-** | **-** | **-** | **-** | **-** | |
| Transfers from Stage 1 to Stage 2 | (25) | - | 25 | - | - | | - | - | |
| Return to Stage 2 from Stage 1 | 5 | - | (5) | - | - | | - | - | |
| Transfers to Stage 3 [1] | - | - | - | - | - | - | - | - | |
| Return from Stage 3 to Stage 2 / Stage 1 | - | - | - | - | - | - | - | - | |
| **Total after transfers** | **109,846** | **(47)** | **193** | **(5)** | **50** | **(47)** | **110,087** | **(99)** | **109,988** |
| **Changes in gross carrying amounts and loss allowances** | **6,659** | **(13)** | **45** | **(2)** | **-** | **-** | **6,704** | **(15)** | |
| New financial production : purchase, granting, origination,… [2] | 27,841 | (22) | 70 | (3) | | | 27,911 | (25) | |
| Derecognition : disposal, repayment, maturity... | (22,743) | 8 | (54) | 1 | - | - | (22,797) | 9 | |
| Write-offs | | | | | - | - | - | - | |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | 1 | - | - | - | - | - | 1 | |
| Changes in models' credit risk parameters during the period | | 1 | | - | | - | - | 1 | |
| Changes in model / methodology | | - | | - | | - | - | - | |
| Changes in scope | - | - | - | - | - | - | - | - | |
| Other [3] | 1,561 | (1) | 29 | - | - | - | 1,590 | (1) | |
| **Total** | **116,505** | **(60)** | **238** | **(7)** | **50** | **(47)** | **116,793** | **(114)** | **116,679** |
| Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) 4 | (3,493) | | - | | - | | (3,493) | | |
| **Balance at 30 june 2022** | **113,012** | **(60)** | **238** | **(7)** | **50** | **(47)** | **113,300** | **(114)** | **113,186** |
| Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures | - | | - | | - | | - | | |

*[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.*

*[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.*

*[3] The items in the "Others" line are mainly translation adjustments.*

*4 Includes the changes in fair value revaluations of micro-hedged instruments, the changes relating to the use of the EIR method (notably the amortisation of premiums/discounts), the changes relating to the accretion of discounts recorded on restructured loans (recovered as revenues over the remaining term of the asset).*

## FINANCIAL ASSETS AT AMORTISED COST: LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

| | Performing assets | | | | Credit-impaired assets (Stage 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Assets subject to 12-month ECL (Stage 1) | | Assets subject to lifetime ECL (Stage 2) | | | | | | |
| *(in millions of euros)* | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | **Gross carrying amount (a)** | **Loss allowance (b)** | **Net carrying amount (a) + (b)** |
| **Balance at 31 december 2021** | **96,626** | **(29)** | **55** | **(2)** | **435** | **(382)** | **97,118** | **(414)** | **96,703** |
| **Transfers between stages during the period** | **(29)** | **1** | **29** | **(1)** | **-** | **-** | **-** | **-** | |
| Transfers from Stage 1 to Stage 2 | (29) | 1 | 29 | (1) | | | - | - | |
| Return to Stage 2 from Stage 1 | - | - | - | - | | | - | - | |
| Transfers to Stage 3 [1] | - | - | - | - | - | - | - | - | |
| Return from Stage 3 to Stage 2 / Stage 1 | - | - | - | - | - | - | - | - | |
| **Total after transfers** | **96,597** | **(28)** | **84** | **(3)** | **435** | **(382)** | **97,118** | **(413)** | **96,705** |
| **Changes in gross carrying amounts and loss allowances** | **6,677** | **(4)** | **19** | **(2)** | **26** | **(12)** | **6,722** | **(18)** | |
| New financial production : purchase, granting, origination,… [2] | 22,427 | (9) | 28 | (2) | | | 22,455 | (11) | |
| Derecognition : disposal, repayment, maturity... | (15,976) | 13 | (4) | - | (1) | 1 | (15,981) | 14 | |
| Write-offs | | | | | - | - | - | - | |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | (1) | - | - | - | - | - | (1) | |
| Changes in models' credit risk parameters during the period | | (8) | | - | | 10 | - | 2 | |
| Changes in model / methodology | | - | | - | | - | - | - | |
| Changes in scope | - | - | - | - | - | - | - | - | |
| Other [3] | 226 | 1 | (5) | - | 27 | (23) | 248 | (22) | |
| **Total** | **103,274** | **(32)** | **103** | **(5)** | **461** | **(394)** | **103,838** | **(431)** | **103,407** |
| Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) 4 | 5,632 | | 1 | | 39 | | 5,672 | | |
| **Balance at 30 june 2022** | **108,906** | **(32)** | **104** | **(5)** | **500** | **(394)** | **109,510** | **(431)** | **109,079** |
| Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures | - | | - | | - | | - | | |

*[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.*

*[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.*

*[3] The items in the "Others" line are mainly translation adjustments.*

*[4] Includes changes in fair value revaluations of micro-hedged instruments, changes relating to the use of the EIR method (notably amortisation of premiums/discounts), changes relating to the accretion of discounts recorded on restructured loans (recovered as revenues over the remaining term of the asset), changes in accrued interests.*

## FINANCIAL ASSETS AT AMORTISED COST: LOANS AND RECEIVABLES DUE FROM CUSTOMERS

| | Performing assets | | | | Credit-impaired assets (Stage 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Assets subject to 12-month ECL (Stage 1) | | Assets subject to lifetime ECL (Stage 2) | | | | | | |
| (in millions of euros) | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount (a) | Loss allowance (b) | Net carrying amount (a) + (b) |
| **Balance at 31 december 2021** | **944,538** | **(2,479)** | **104,360** | **(4,987)** | **21,641** | **(11,481)** | **1,070,539** | **(18,946)** | **1,051,592** |
| **Transfers between stages during the period** | **(13,774)** | **(328)** | **11,206** | **467** | **2,568** | **(768)** | **-** | **(629)** | |
| Transfers from Stage 1 to Stage 2 | (35,288) | 185 | 35,288 | (854) | | | - | (669) | |
| Return to Stage 2 from Stage 1 | 22,361 | (536) | (22,361) | 1,140 | | | - | 604 | |
| Transfers to Stage 3 [1] | (1,067) | 27 | (2,255) | 226 | 3,322 | (921) | - | (668) | |
| Return from Stage 3 to Stage 2 / Stage 1 | 220 | (4) | 534 | (45) | (754) | 153 | - | 104 | |
| **Total after transfers** | **930,764** | **(2,807)** | **115,566** | **(4,520)** | **24,209** | **(12,249)** | **1,070,539** | **(19,575)** | **1,050,964** |
| **Changes in gross carrying amounts and loss allowances** | **39,644** | **113** | **(1,987)** | **(1,089)** | **(3,007)** | **1,099** | **34,650** | **123** | |
| New financial production : purchase, granting, origination,… [2] | 194,060 | (811) | 15,038 | (1,561) | | | 209,098 | (2,372) | |
| Derecognition : disposal, repayment, maturity... | (154,921) | 609 | (17,674) | 1,245 | (1,874) | 871 | (174,469) | 2,725 | |
| Write-offs | | | | | (895) | 837 | (895) | 837 | |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | (1) | (5) | (1) | (8) | 1 | (13) | (1) | |
| Changes in models' credit risk parameters during the period 5 | | 356 | | (845) | | (882) | - | (1,371) | |
| Changes in model / methodology | | - | | - | | - | - | - | |
| Changes in scope 7 | - | - | - | - | - | - | - | - | |
| Other 5 | 505 | (40) | 654 | 73 | (230) | 272 | 929 | 305 | |
| **Total** | **970,408** | **(2,694)** | **113,579** | **(5,609)** | **21,202** | **(11,150)** | **1,105,189** | **(19,452)** | **1,085,737** |
| Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3] | (880) | | (1,263) | | 915 | | (1,228) | | |
| **Balance at 30 june 2022 6** | **969,528** | **(2,694)** | **112,316** | **(5,609)** | **22,117** | **(11,150)** | **1,103,961** | **(19,452)** | **1,084,509** |
| Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures | - | | - | | - | | - | | |

*[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.*

*[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.*
*[3] Includes changes in fair value revaluations of micro-hedged instruments, changes relating to the use of the EIR method (notably amortisation of premiums/discounts), changes relating to the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), changes in accrued interests.*

*[4] At 30 June 2022, French State-guaranteed loans ("prêts garantis par l'Etat" or PGE) amounted to €21.1 billion. These loans were granted by the Group to its customers as part of the French government's economic support measures following the Covid-19 health crisis.*

*5 The items on the "Other" line are primarily translation adjustments and, to a lesser extent, changes in value, for which a breakdown could not be made.*
*[6] At 30 June 2022, Stage 3 integrates the impaired assets of Crédit Agricole Italia which was acquired from CreditoValtellinese for a gross carrying value of €1,020 million and a value correction for losses of €571 million, i.e. a net carrying amount of €449 million.*

## FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY: DEBT SECURITIES

| | Performing assets | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets subject to 12-month ECL (Stage 1) | | Assets subject to lifetime ECL (Stage 2) | | Credit-impaired assets (Stage 3) | | Total | |
| *(in millions of euros)* | Carrying amount | Loss allowance | Carrying amount | Loss allowance | Carrying amount | Loss allowance | **Carrying amount** | **Loss allowance** |
| **Balance at 31 december 2021** | **260,826** | **(126)** | **3,745** | **(50)** | **1** | **(37)** | **264,572** | **(214)** |
| **Transfers between stages during the period** | **280** | **(1)** | **(282)** | **(1)** | **-** | **-** | **(2)** | **(2)** |
| Transfers from Stage 1 to Stage 2 | (613) | - | 606 | (7) | | | (7) | (7) |
| Return to Stage 2 from Stage 1 | 893 | (1) | (888) | 6 | | | 5 | 5 |
| Transfers to Stage 3 [1] | - | - | - | - | - | - | - | - |
| Return from Stage 3 to Stage 2 / Stage 1 | - | - | - | - | - | - | - | - |
| **Total after transfers** | **261,106** | **(127)** | **3,463** | **(51)** | **1** | **(37)** | **264,570** | **(216)** |
| **Changes in carrying amounts and loss allowances** | **(29,155)** | **6** | **(234)** | **2** | **(1)** | **1** | **(29,390)** | **9** |
| Fair value revaluation during the period | (30,000) | | (449) | | - | | (30,449) | |
| New financial production : purchase, granting, origination,… [2] | 14,739 | (17) | 6,733 | (8) | - | - | 21,472 | (25) |
| Derecognition : disposal, repayment, maturity... | (14,389) | 11 | (6,492) | 5 | (1) | 1 | (20,882) | 17 |
| Write-offs | - | - | - | - | - | - | - | - |
| Changes of cash flows resulting in restructuring due to financial difficulties | 1 | 1 | - | - | - | - | 1 | 1 |
| Changes in models' credit risk parameters during the period | | 11 | | 5 | | - | - | 16 |
| Changes in model / methodology | | - | | - | | - | - | - |
| Changes in scope | - | - | - | - | - | - | - | - |
| Other 4 | 494 | - | (26) | - | - | - | 468 | - |
| **Total** | **231,951** | **(121)** | **3,229** | **(49)** | **-** | **(36)** | **235,180** | **(207)** |
| Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3] | (3,759) | | 21 | | - | | (3,738) | |
| **Balance at 30 june 2022** | **228,192** | **(121)** | **3,250** | **(49)** | **-** | **(36)** | **231,442** | **(207)** |
| Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures | - | | - | | - | | - | |

*[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.*

*[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.*

*[3] Includes the impacts of the use of the EIR method (notably the amortisation of premiums/discounts).*

*4 The items in the "Others" line are mainly translation adjustments.*

## FINANCING COMMITMENTS

| (in millions of euros) | Performing commitments | | | | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Commitments subject to 12-month ECL (Stage 1) | | Commitments subject to lifetime ECL (Stage 2) | | Provisioned commitments (Stage 3) | | | | |
| | Amount of commitment | Loss allowance | Amount of commitment | Loss allowance | Amount of commitment | Loss allowance | Amount of commitment (a) | Loss allowance (b) | Net amount of commitment (a) + (b) |
| **Balance at 31 december 2021** | **212,153** | **(404)** | **13,644** | **(507)** | **503** | **(112)** | **226,300** | **(1,023)** | **225,277** |
| **Transfers between stages during the period** | **(2,282)** | **(32)** | **2,271** | **19** | **11** | **-** | **-** | **(13)** | |
| Transfers from Stage 1 to Stage 2 | (4,268) | 19 | 4,268 | (60) | | | - | (41) | |
| Return to Stage 2 from Stage 1 | 1,995 | (51) | (1,995) | 79 | | | - | 28 | |
| Transfers to Stage 3 [1] | (15) | 1 | (12) | 1 | 27 | (4) | - | (2) | |
| Return from Stage 3 to Stage 2 / Stage 1 | 6 | (1) | 10 | (1) | (16) | 4 | - | 2 | |
| **Total after transfers** | **209,871** | **(436)** | **15,915** | **(488)** | **514** | **(112)** | **226,300** | **(1,036)** | **225,264** |
| **Changes in commitments and loss allowances** | **11,096** | **27** | **(1,966)** | **(30)** | **(56)** | **7** | **9,074** | **4** | |
| New commitments given [2] | 95,926 | (200) | 3,444 | (317) | | | 99,370 | (517) | |
| End of commitments | (88,823) | 203 | (5,462) | 255 | (130) | 32 | (94,415) | 490 | |
| Write-offs | - | - | - | - | (3) | 3 | (3) | 3 | |
| Changes of cash flows resulting in restructuring due to financial difficulties | (3) | - | - | - | (1) | - | (4) | - | |
| Changes in models' credit risk parameters during the period | | 31 | | 56 | | (26) | - | 61 | |
| Changes in model / methodology | | - | | - | | - | - | - | |
| Changes in scope | - | - | - | - | - | - | | - | |
| Other [3] | 3,996 | (7) | 52 | (24) | 78 | (2) | 4,126 | (33) | |
| **Balance at 30 june 2022** | **220,967** | **(409)** | **13,949** | **(518)** | **458** | **(105)** | **235,374** | **(1,032)** | **234,342** |

*[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.*

*[2] New commitments given in Stage 2 could include some originations in Stage 1 reclassified in Stage 2 during the period.*

*[3] The items on the "Other" line are primarily translation adjustments and, to a lesser extent, changes in value, for which a breakdown could not be made.*

## GUARANTEE COMMITMENTS

| | Performing commitments | | | | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Commitments subject to 12-month ECL (Stage 1) | | Commitments subject to lifetime ECL (Stage 2) | | Provisioned commitments (Stage 3) | | | | |
| *(in millions of euros)* | Amount of commitment | Loss allowance | Amount of commitment | Loss allowance | Amount of commitment | Loss allowance | **Amount of commitment (a)** | **Loss allowance (b)** | **Net amount of commitment (a) + (b)** |
| **Balance at 31 december 2021** | **109,926** | **(120)** | **6,440** | **(261)** | **1,649** | **(431)** | **118,015** | **(812)** | **117,203** |
| **Transfers between stages during the period** | **(1,528)** | **(20)** | **639** | **25** | **895** | **(8)** | **6** | **(3)** | |
| Transfers from Stage 1 to Stage 2 | (2,304) | 4 | 2,313 | (19) | | | 9 | (15) | |
| Return to Stage 2 from Stage 1 | 855 | (24) | (858) | 43 | | | (3) | 19 | |
| Transfers to Stage 3 [1] | (80) | - | (820) | 1 | 900 | (9) | - | (8) | |
| Return from Stage 3 to Stage 2 / Stage 1 | 1 | - | 4 | - | (5) | 1 | - | 1 | |
| **Total after transfers** | **108,398** | **(140)** | **7,079** | **(236)** | **2,544** | **(439)** | **118,021** | **(815)** | **117,206** |
| **Changes in commitments and loss allowances** | **(9,845)** | **2** | **80** | **(15)** | **(110)** | **61** | **(9,875)** | **48** | |
| New commitments given [2] | 42,785 | (54) | 1,719 | (56) | | | 44,504 | (110) | |
| End of commitments | (49,406) | 39 | (1,763) | 46 | (181) | 93 | (51,350) | 178 | |
| Write-offs | - | - | - | - | (1) | 1 | (1) | 1 | |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | - | - | - | - | - | - | - | |
| Changes in models' credit risk parameters during the period | | 16 | | (14) | | (40) | - | (38) | |
| Changes in model / methodology | | - | | - | | - | - | - | |
| Changes in scope | - | - | - | - | - | - | - | - | |
| Other [3] | (3,224) | 1 | 124 | 9 | 72 | 7 | (3,028) | 17 | |
| **Balance at 30 june 2022** | **98,553** | **(138)** | **7,159** | **(251)** | **2,434** | **(378)** | **108,146** | **(767)** | **107,379** |

*[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.*

*[2] New commitments given in Stage 2 could include some originations in Stage 1 reclassified in Stage 2 during the period.*

*[3] The items on the "Other" line are primarily translation adjustments and, to a lesser extent, changes in value, for which a breakdown could not be made.*

## 3.2 Exposure to sovereign risk

The scope of sovereign exposures recorded covers exposures to Governments, but does not include local authorities. Tax debt is excluded from these amounts.

Exposure to sovereign debt corresponds to an exposure net of impairment (carrying amount) presented both gross and net of hedging.

The Group's exposure to sovereign risk is as follows:

### BANKING ACTIVITY

| 30/06/2022 | Exposures Banking activity net of impairment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Other financial instruments at fair value through profit or loss | | Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss | Financial assets at amortised cost | Total banking activity before hedging | Hedging | Total banking activity after hedging |
| *(in millions of euros)* | *Held-for-trading financial assets* | *Other financial instruments at fair value through profit or loss* | | | | | |
| Germany | - | 452 | 169 | 425 | 1,046 | - | **1,046** |
| Saudi Arabia | - | - | - | 1,383 | 1,383 | - | **1,383** |
| Austria | - | 1 | 6 | 289 | 296 | 6 | **302** |
| Belgium | - | 87 | 847 | 1,727 | 2,661 | 119 | **2,780** |
| Brazil | 9 | - | 210 | 104 | 323 | - | **323** |
| China | 96 | - | 29 | 329 | 454 | - | **454** |
| Egypt | 1 | 6 | 790 | 267 | 1,064 | - | **1,064** |
| Spain | - | 50 | (10) | 1,533 | 1,573 | 47 | **1,620** |
| United States | 1,608 | - | 112 | 1,501 | 3,221 | 78 | **3,299** |
| France | - | 864 | 3,662 | 20,080 | 24,606 | (86) | **24,520** |
| Hong Kong | 57 | - | - | 1,474 | 1,531 | - | **1,531** |
| Italy | - | 8 | 3,359 | 12,298 | 15,665 | (149) | **15,516** |
| Japan | 335 | - | 1,119 | 982 | 2,436 | 1 | **2,437** |
| Lyban | - | - | - | - | - | - | **-** |
| Morocco | 30 | 7 | 276 | - | 313 | - | **313** |
| Poland | 3 | - | 756 | 241 | 1,000 | - | **1,000** |
| United Kingdom | - | 1 | - | - | 1 | - | **1** |
| Russia | - | - | - | - | - | - | **-** |
| Turkey | - | - | - | - | - | - | **-** |
| Ukraine | - | - | 93 | 461 | 554 | - | **554** |
| Other sovereign countries | 1,204 | 250 | 636 | 4,950 | 7,040 | 14 | **7,054** |
| **TOTAL** | **3,343** | **1,726** | **12,054** | **48,044** | **65,167** | **30** | **65,197** |

| 31/12/2021 | Exposures Banking activity net of impairment | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Other financial instruments at fair value through profit or loss** | | **Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss** | **Financial assets at amortised cost** | **Total banking activity before hedging** | **Hedging** | **Total banking activity after hedging** |
| *(in millions of euros)* | *Held-for-trading financial assets* | *Other financial instruments at fair value through profit or loss* | | | | | |
| Germany | - | 426 | 170 | 394 | 990 | - | **990** |
| Saudi Arabia | 5 | - | - | 1,300 | 1,305 | - | **1,305** |
| Argentina | - | - | - | 42 | 42 | - | **42** |
| Austria | 9 | 3 | 6 | 312 | 330 | - | **330** |
| Belgium | - | 20 | 1,911 | 2,185 | 4,116 | (62) | **4,054** |
| Brazil | 12 | - | 214 | 122 | 348 | - | **348** |
| China | 212 | - | 66 | 262 | 540 | (1) | **539** |
| Egypt | 1 | 8 | 771 | 328 | 1,108 | - | **1,108** |
| Spain | - | 5 | 83 | 2,218 | 2,306 | 13 | **2,319** |
| United States | 2,780 | 1 | 98 | 906 | 3,785 | (122) | **3,663** |
| France | - | 933 | 4,056 | 19,533 | 24,522 | (613) | **23,909** |
| Hong Kong | 91 | - | - | 1,274 | 1,365 | - | **1,365** |
| Italy | - | 13 | 3,648 | 12,719 | 16,380 | (314) | **16,066** |
| Japan | 182 | - | 440 | 1,430 | 2,052 | - | **2,052** |
| Lyban | - | - | - | - | - | - | **-** |
| Morocco | 212 | 7 | 202 | - | 421 | - | **421** |
| Poland | - | - | 772 | 242 | 1,014 | - | **1,014** |
| United Kingdom | - | 1 | - | - | 1 | - | **1** |
| Russia | - | - | - | - | - | - | **-** |
| Turkey | - | - | - | - | - | - | **-** |
| Ukraine | - | - | 111 | 233 | 344 | - | **344** |
| Venezuela | - | - | - | 18 | 18 | - | **18** |
| Other sovereign countries | 916 | 228 | 917 | 5,154 | 7,215 | (3) | **7,212** |
| **TOTAL** | **4,420** | **1,645** | **13,465** | **48,672** | **68,202** | **(1,102)** | **67,100** |

## INSURANCE ACTIVITY

For the insurance activity, exposure to sovereign debt is presented as net of impairment, before hedging, and corresponds to an exposure before application of sharing mechanisms between insurer and policyholder specific to life insurance.

| Gross exposures<br>*(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Germany | 313 | 323 |
| Saudi Arabia | - | - |
| Austria | 501 | 546 |
| Belgium | 2,680 | 3,992 |
| Brazil | 2 | 4 |
| China | 2 | 4 |
| Egypt | - | - |
| Spain | 4,100 | 4,648 |
| United States | 76 | 60 |
| France | 45,168 | 50,923 |
| Hong Kong | - | - |
| Italy | 7,721 | 8,806 |
| Japan | 198 | 199 |
| Lyban | - | - |
| Morocco | 2 | 2 |
| Poland | 300 | 330 |
| United Kingdom | 2 | 3 |
| Russia | - | 7 |
| Turkey | 7 | 10 |
| Ukraine | 3 | - |
| Other sovereign countries | 1,926 | 2,282 |
| **TOTAL EXPOSURES** | **63,001** | **72,139** |

# NOTE 4 Notes on net income and other comprehensive income

## 4.1 Interest income and expenses

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| **On financial assets at amortised cost** | **13,692** | **24,646** | **12,058** |
| Interbank transactions | 1,660 | 2,603 | 1,229 |
| Customer transactions | 10,680 | 19,860 | 9,712 |
| Finance leases | 559 | 1,341 | 644 |
| Debt securities | 793 | 842 | 473 |
| **On financial assets recognised at fair value through other comprehensive income** | **2,504** | **4,630** | **2,511** |
| Interbank transactions | - | - | - |
| Customer transactions | - | - | - |
| Debt securities | 2,504 | 4,630 | 2,511 |
| **Accrued interest receivable on hedging instruments** | **1,456** | **2,313** | **1,189** |
| **Other interest income** | **36** | **45** | **38** |
| **INTEREST AND SIMILAR INCOME [1]** | **17,688** | **31,634** | **15,796** |
| **On financial liabilities at amortised cost** | **(5,320)** | **(9,589)** | **(4,879)** |
| Interbank transactions | (775) | (1,414) | (686) |
| Crédit Agricole internal transactions | (3) | (13) | - |
| Customer transactions | (2,877) | (4,814) | (2,375) |
| Finance leases | (162) | (632) | (304) |
| Debt securities | (1,226) | (2,103) | (1,261) |
| Subordinated debt | (277) | (613) | (253) |
| **Accrued interest receivable on hedging instruments** | **(1,448)** | **(2,221)** | **(1,131)** |
| **Other interest expenses** | **(62)** | **(41)** | **(48)** |
| **INTEREST AND SIMILAR EXPENSES [3]** | **(6,830)** | **(11,851)** | **(6,058)** |

*[1] includes €170 million on impaired loans (Stage 3) at 30 June 2022 versus €312 million at 31 December 2021 and €178 million at 30 June 2021.*

*[2] includes €912 million in negative interest on financial liabilities at 30 June 2022 (€196 million at 31 December 2021).*

*[3] includes -€101 million in negative interest on financial assets at 30 June 2022 (-€1.6 billion at 31 December 2021).*

## 4.2 Fee and commission income and expenses

| | 30/06/2022 | | | 31/12/2021 | | | 30/06/2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Income | Expense | Net | Income | Expense | Net | Income | Expense | Net |
| Interbank transactions | 170 | (45) | 125 | 290 | (89) | 201 | 141 | (42) | 99 |
| Customer transactions | 897 | (130) | 767 | 1,625 | (236) | 1,389 | 770 | (114) | 656 |
| Securities transactions | 35 | (72) | (37) | 36 | (137) | (101) | 22 | (73) | (51) |
| Foreign exchange transactions | 26 | (21) | 5 | 56 | (38) | 18 | 27 | (20) | 7 |
| Derivative instruments and other off-balance sheet items | 149 | (102) | 47 | 378 | (211) | 167 | 199 | (134) | 65 |
| Payment instruments and other banking and financial services | 3,757 | (1,201) | 2,556 | 7,032 | (2,212) | 4,820 | 3,561 | (1,083) | 2,478 |
| Mutual funds management, fiduciary and similar operations | 3,029 | (866) | 2,163 | 5,952 | (1,695) | 4,257 | 2,892 | (820) | 2,072 |
| Total Fees and commissions income and expense | 8,063 | (2,437) | 5,626 | 15,371 | (4,621) | 10,750 | 7,612 | (2,286) | 5,326 |

Asset Gathering and Retail Banking (in France and internationally) were the main contributors of fee and commission income from customer transactions and transactions involving payment instruments and other banking and financial services.

Fee and commission income from managing UCITS, trusts and similar activities are mainly related to Asset Gathering.

## 4.3 Net gains (losses) on financial instruments at fair value through profit or loss

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| Dividends received | 729 | 1,145 | 737 |
| Unrealised or realised gains (losses) on held for trading assets/liabilities | (4,410) | 1,555 | 1,040 |
| Unrealised or realised gains (losses) on equity instruments at fair value through profit or loss | (2,184) | 2,273 | 1,375 |
| Unrealised or realised gains (losses) on debt instruments that do not meet the conditions of the "SPPI" test | (3,509) | 3,201 | 1,918 |
| Net gains (losses) on assets backing unit-linked contracts | (6,827) | 5,854 | 3,492 |
| Unrealised or realised gains (losses) on assets/liabilities designated at fair value through profit or loss [1] | 2,669 | (270) | (111) |
| Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations) | 1,669 | 1,125 | 692 |
| Gains (losses) from hedge accounting | 16 | (44) | 1 |
| **NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS** | **(11,847)** | **14,839** | **9,144** |

*[1] Excluding issuer credit spread for liabilities designated at fair value through profit or loss (unless the standard allows for an exception to eliminate or reduce a mismatch in the income statement).*

Analysis of net gains (losses) from hedge accounting:

| *(in millions of euros)* | 30/06/2022 | | |
|---|---|---|---|
| | Gains | Losses | Net |
| **Fair value hedges** | **24,557** | **(24,511)** | **46** |
| Changes in fair value of hedged items attributable to hedged risks | 14,191 | (10,502) | 3,689 |
| Changes in fair value of hedging derivatives (including termination of hedges) | 10,366 | (14,009) | (3,643) |
| **Cash flow hedges** | **2** | **-** | **2** |
| Changes in fair value of hedging derivatives - ineffective portion | 2 | - | 2 |
| **Hedges of net investments in foreign operations** | **-** | **-** | **-** |
| Changes in fair value of hedging derivatives - ineffective portion | - | - | - |
| **Fair value hedges of the interest rate exposure of a portfolio of financial instruments** | **42,798** | **(42,831)** | **(33)** |
| Changes in fair value of hedged items | 17,035 | (25,625) | (8,590) |
| Changes in fair value of hedging derivatives | 25,763 | (17,206) | 8,557 |
| **Cash flow hedges of the interest rate exposure of a portfolio of financial instruments** | **1** | **-** | **1** |
| Changes in fair value of hedging instrument - ineffective portion | 1 | - | 1 |
| **TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING** | **67,358** | **(67,342)** | **16** |

| *(in millions of euros)* | 31/12/2021 | | |
|---|---|---|---|
| | **Gains** | **Losses** | **Net** |
| **Fair value hedges** | **11,447** | **(11,463)** | **(16)** |
| Changes in fair value of hedged items attributable to hedged risks | 6,338 | (5,056) | 1,282 |
| Changes in fair value of hedging derivatives (including termination of hedges) | 5,109 | (6,407) | (1,298) |
| **Cash flow hedges** | - | - | - |
| Changes in fair value of hedging derivatives - ineffective portion | - | - | - |
| **Hedges of net investments in foreign operations** | **-** | **-** | **-** |
| Changes in fair value of hedging derivatives - ineffective portion | - | - | - |
| **Fair value hedges of the interest rate exposure of a portfolio of financial instruments** | **20,800** | **(20,830)** | **(30)** |
| Changes in fair value of hedged items | 9,095 | (11,628) | (2,533) |
| Changes in fair value of hedging derivatives | 11,705 | (9,202) | 2,503 |
| **Cash flow hedges of the interest rate exposure of a portfolio of financial instruments** | **4** | **(2)** | **2** |
| Changes in fair value of hedging instrument - ineffective portion | 4 | (2) | 2 |
| **TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING** | **32,251** | **(32,295)** | **(44)** |

| *(in millions of euros)* | 30/06/2021 | | |
|---|---|---|---|
| | **Gains** | **Losses** | **Net** |
| **Fair value hedges** | **8,409** | **(8,409)** | **-** |
| Changes in fair value of hedged items attributable to hedged risks | 4,460 | (3,927) | 533 |
| Changes in fair value of hedging derivatives (including termination of hedges) | 3,949 | (4,482) | (533) |
| **Cash flow hedges** | 1 | - | 1 |
| Changes in fair value of hedging derivatives - ineffective portion | 1 | - | 1 |
| **Hedges of net investments in foreign operations** | **-** | **-** | **-** |
| Changes in fair value of hedging derivatives - ineffective portion | 1 | - | 1 |
| **Fair value hedges of the interest rate exposure of a portfolio of financial instruments** | **17,237** | **(17,238)** | **(1)** |
| Changes in fair value of hedged items | 8,039 | (9,131) | (1,092) |
| Changes in fair value of hedging derivatives | 9,198 | (8,107) | 1,091 |
| **Cash flow hedges of the interest rate exposure of a portfolio of financial instruments** | **2** | **(1)** | **1** |
| Changes in fair value of hedging instrument - ineffective portion | 2 | (1) | 1 |
| **TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING** | **25,649** | **(25,648)** | **1** |

## 4.4 Net gains (losses) on financial instruments at fair value through equity

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss [1] | (61) | (29) | 25 |
| Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends) [2] | 92 | 90 | 67 |
| **NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | **31** | **61** | **92** |

*[1] Excluding realised gains or losses from impaired debt instruments (Stage 3) mentioned in Note 4.9 "Cost of risk".*

*[2] Including dividends on equity instruments at fair value through equity that cannot be reclassified and derecognised during the period for €2 million*

## 4.5 Net gains (losses) arising from the derecognition of financial assets at amortised cost

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| Debt securities | 45 | 43 | 17 |
| Loans and receivables due from credit institutions | - | - | - |
| Loans and receivables due from customers | - | 11 | 11 |
| **Gains arising from the derecognition of financial assets at amortised cost** | **45** | **54** | **28** |
| Debt securities | (50) | (5) | (1) |
| Loans and receivables due from credit institutions | - | - | - |
| Loans and receivables due from customers | (4) | (4) | (1) |
| **Losses arising from the derecognition of financial assets at amortised cost** | **(54)** | **(9)** | **(2)** |
| **NET GAINS (LOSSES) ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST [1]** | **(9)** | **45** | **26** |

*[1] Excluding realised gains or losses from the derecognition of impaired debt instruments (Stage 3) mentioned in Note 4.9 "Cost of risk".*

## 4.6 Net income (expenses) on other activities

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| Gains (losses) on fixed assets not used in operations | (22) | (32) | (14) |
| Other net income from insurance activities [1] | 6,444 | 11,816 | 6,098 |
| Change in insurance technical reserves [2] | 7,808 | (20,846) | (12,221) |
| Net income from investment property | 154 | 207 | 114 |
| Other net income (expense) | 212 | 367 | 168 |
| **INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES** | **14,596** | **(8,488)** | **(5,855)** |

*[1] The +€332 million increase in other net income from the insurance activity between 30 June 2022 and 30 June 2021 mainly reflects an increase in premium income, primarily in Property & Casualty and Death & Disability-Creditor-Group insurance.*

*[2] The increase in the reversal of technical reserves for insurance policies of €20 billion between 30 June 2022 and 30 June 2021 is essentially due to the unfavourable change in value adjustments on unit-linked contracts and the decrease in the fair value of the financial assets.*

## 4.7 Operating expenses

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| Employee expenses | (7,071) | (13,839) | (6,747) |
| Taxes other than on income or payroll-related and regulatory contributions [1] | (1,308) | (1,206) | (970) |
| External services and other operating expenses | (3,307) | (6,124) | (2,882) |
| **OPERATING EXPENSES** | **(11,686)** | **(21,169)** | **(10,599)** |

*[1] Including -€801 million recognised for the Single Resolution Fund at 30 June 2022 versus -€479 million at 31 December 2021 and -€479 million at 30 June 2021.*

## 4.8 Depreciation, amortisation and impairment of property, plant & equipment and intangible assets

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| **Depreciation and amortisation** | **(920)** | **(1,885)** | **(917)** |
| Property, plant and equipment [1] | (674) | (1,390) | (681) |
| Intangible assets | (246) | (495) | (236) |
| **Impairment losses (reversals)** | **7** | **(27)** | **(3)** |
| Property, plant and equipment | 5 | (13) | (3) |
| Intangible assets | 2 | (14) | - |
| **DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS** | **(913)** | **(1,912)** | **(920)** |

*[1] Including -€259 million recognised for the amortisation of the right-of-use at 30 June 2022 versus -€261 million at 30 June 2021.*

## 4.9 Cost of risk

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| **Charges net of reversals to impairments on performing assets (Stage 1 or Stage 2)** | **(896)** | **(618)** | **(406)** |
| **Stage 1 : Loss allowance measured at an amount equal to 12-month expected credit loss** | **(207)** | **(104)** | **(173)** |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | 1 | 1 | (3) |
| Debt instruments at amortised cost | (190) | (111) | (154) |
| Commitments by signature | (18) | 6 | (16) |
| **Stage 2 : Loss allowance measured at an amount equal to lifetime expected credit loss** | **(689)** | **(514)** | **(233)** |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | - | 2 | 1 |
| Debt instruments at amortised cost | (703) | (396) | (142) |
| Commitments by signature | 14 | (120) | (92) |
| **Charges net of reversals to impairments on credit-impaired assets (Stage 3)** | **(657)** | **(1,442)** | **(530)** |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | - | - | - |
| Debt instruments at amortised cost | (708) | (1,356) | (498) |
| Commitments by signature | 51 | (86) | (32) |
| Other assets | (2) | (2) | 3 |
| Risks and expenses | (14) | (65) | (62) |
| **Charges net of reversals to impairment losses and provisions** | **(1,569)** | **(2,127)** | **(995)** |
| Realised gains (losses) on disposal of impaired debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | - | - | - |
| Realised gains (losses) on impaired debt instruments at amortised cost | - | - | - |
| Losses on non-impaired loans and bad debt | (97) | (214) | (118) |
| Recoveries on loans and receivables written off | 192 | 237 | 145 |
| *recognised at amortised cost* | 192 | 237 | 145 |
| *recognised in other comprehensive income that may be reclassified to profit or loss* | - | - | - |
| Discounts on restructured loans | (13) | (26) | (14) |
| Losses on commitments by signature | - | (1) | (1) |
| Other losses | (21) | (69) | (25) |
| Other gains | 4 | 7 | 1 |
| **COST OF RISK** | **(1,504)** | **(2,193)** | **(1,007)** |

## 4.10 Net gains (losses) on other assets

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| **Property, plant & equipment and intangible assets used in operations** | **26** | **2** | **9** |
| Gains on disposals | 32 | 38 | 21 |
| Losses on disposals | (6) | (36) | (12) |
| **Consolidated equity investments** | **11** | **(13)** | **(31)** |
| Gains on disposals | 15 | 27 | 7 |
| Losses on disposals | (4) | (40) | (38) |
| **Net income (expense) on combinations** | **(2)** | **(16)** | **(1)** |
| **NET GAINS (LOSSES) ON OTHER ASSETS** | **35** | **(27)** | **(23)** |

## 4.11 Income tax

The effective tax rate for the first half of 2022 came to 26.2% based on a positive pre-tax income of €5,733 million (before income from equity-accounted entities, impairment of goodwill and income from discontinued operations) compared with 21.4% at 31 December 2021 and 24.1% at 30 June 2021.

## 4.12 Changes in other comprehensive income

The breakdown of income and expenses recognised for the period is presented below:

**BREAKDOWN OF TOTAL OTHER COMPREHENSIVE INCOME**

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| ***Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax*** | | | |
| **Gains and losses on translation adjustments** | **612** | **957** | **366** |
| Revaluation adjustment of the period | 634 | 957 | 366 |
| Reclassified to profit or loss | - | - | - |
| Other changes | (22) | - | - |
| **Other comprehensive income on debt instruments that may be reclassified to profit or loss** | **(5,296)** | **(1,499)** | **(1,236)** |
| Revaluation adjustment of the period | (5,310) | (1,514) | (1,245) |
| Reclassified to profit or loss | 56 | (55) | (60) |
| Other changes | (42) | 70 | 69 |
| **Gains and losses on hedging derivative instruments** | **(1,899)** | **(886)** | **(491)** |
| Revaluation adjustment of the period | (2,177) | (886) | (491) |
| Reclassified to profit or loss | - | - | (1) |
| Other changes | 278 | - | 1 |
| **Reclassification of net gains (losses) of designated financial assets applying the overlay approach** | **(578)** | **182** | **118** |
| Revaluation adjustment of the period | (541) | 186 | 118 |
| Reclassified to profit or loss | - | - | - |
| Other changes | (37) | (4) | - |
| **Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities** | **81** | **103** | **59** |
| **Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities** | **1,928** | **629** | **447** |
| **Income tax related to items that may be reclassified to profit or loss on equity-accounted entities** | **-** | **(3)** | **(1)** |
| **Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations** | **(3)** | **(32)** | **(5)** |
| **Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax** | **(5,155)** | **(549)** | **(743)** |
| ***Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax*** | | | |
| Actuarial gains and losses on post-employment benefits | 486 | 245 | 134 |
| **Other comprehensive income on financial liabilities attributable to changes in own credit risk** | **774** | **(13)** | **(36)** |
| Revaluation adjustment of the period | 771 | (14) | (37) |
| Reclassified to reserves | 3 | 1 | 1 |
| Other changes | - | - | - |
| **Other comprehensive income on equity instruments that will not be reclassified to profit or loss** | **24** | **95** | **15** |
| Revaluation adjustment of the period | 20 | 80 | 46 |
| Reclassified to reserves | 4 | 57 | 20 |
| Other changes | - | (42) | (51) |
| **Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities** | **8** | **-** | **5** |

| | | | |
|---|---|---|---|
| **Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities** | **(322)** | **(41)** | **(18)** |
| **Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities** | **(3)** | **(14)** | **(4)** |
| **Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations** | **-** | **(1)** | **(1)** |
| **Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax** | **967** | **295** | **95** |
| **Other comprehensive income net of income tax** | **(4,188)** | **(254)** | **(648)** |
| Of which Group share | (4,207) | (323) | (689) |
| Of which non-controlling interests | 19 | 69 | 41 |

# NOTE 5 Segment information

## DEFINITION OF OPERATING SEGMENTS

According to IFRS 8, information disclosed is based on the internal reporting that is used by the Executive Committee to manage the Crédit Agricole Group, to assess performance, and to make decisions about resources to be allocated to the identified operating segments.

Operating segments according to the internal reporting consist of the business lines of the Group.

As at 30 June 2022, the Crédit Agricole Group's activities were organised into seven operating segments:

1. the following six business lines:
   - French Retail Banking – Regional Banks,
   - French Retail Banking – LCL,
   - International Retail Banking;
   - Asset Gathering,
   - Large customers,
   - Specialised Financial Services,
2. as well as the "Corporate Centre."

## PRESENTATION OF BUSINESS LINES

### French Retail Banking – Regional Banks

This business line comprises the Regional Banks and their subsidiaries.

The Regional Banks have a strong local presence and work alongside individual customers, farmers, small businesses, corporates and local authorities.

Crédit Agricole's Regional Banks offer the full range of banking and financial products and services: savings products (money market, bonds, securities and funds), financing products (particularly home loans and consumer finance), insurance products (life and non-life insurance), as well as payment instruments, personal services, para-banking services and asset management.

### French Retail Banking – LCL

LCL is a French Retail Banking network with a strong presence in urban areas. It is organised into four business lines: Retail Banking for individual customers, Retail Banking for small businesses, private banking and corporate banking.

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management products.

### International Retail Banking

This business line encompasses international subsidiaries and equity investments that are mainly involved in Retail banking.

These subsidiaries and equity investments are primarily located in Europe: in Italy with Crédit Agricole Italia, Crédit Agricole Polska in Poland, as well as in Ukraine.

Other subsidiaries operate around the Mediterranean, e.g. Crédit du Maroc and Crédit Agricole Egypt.

The international consumer credit, leasing and factoring subsidiaries (subsidiaries of Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring and EFL in Poland, etc.) are not included in this segment, but in "Specialised Financial Services," except Calit in Italy, which is part of International Retail banking.

### Asset Gathering

This business line brings together:

- the insurance activities of Crédit Agricole Group companies to support customers at every stage of their lives and cover all their property & casualty and life insurance needs in France and abroad, via the following three business lines:
    - Savings and retirement:
    - Death & disability/creditor/group insurance;
    - Property & casualty insurance.

The partnership agreement signed with Europ Assistance in January 2021 means that the Crédit Agricole Assurances group now offers a comprehensive range of assistance services.

- the asset management activities of the Amundi Group, offering savings solutions for retail clients and investment and technology solutions for institutional investors in Europe, Asia and the Americas through a full range of active and passive management services in traditional or real assets. The acquisition of Lyxor on 31 December 2021 will strengthen Amundi's positioning.
- as well as wealth management activities conducted mainly by Indosuez Wealth Management subsidiaries (CA Indosuez (Switzerland) SA, CA Indosuez Wealth (Europe), CFM Indosuez Wealth and CA Indosuez).

## Specialised Financial Services

Specialised Financial Services comprises the Group entities that provide financial products and services to individual customers, small businesses, corporates and local authorities in France and abroad. These are:

- consumer finance companies around Crédit Agricole Consumer Finance in France and through its international subsidiaries or partnerships (Agos, FCA Bank, Creditplus Bank, Ribank, Credibom, Interbank Group). On 1 June 2021, the Bank of Spain approved CA Consumer Finance's acquisition of Bankia's 49% interest in SoYou. This move solidifies Crédit Agricole Consumer Finance's ambition to become a major player in the Spanish market through its 100% stake in SoYou.
- specialised financial services for corporates, such as factoring and lease finance (Crédit Agricole Leasing & Factoring Group, EFL) and financing specifically for energy and the regions, for corporates, local authorities and farmers, who are actors in the energy transition (through Unifergie, a subsidiary of Crédit Agricole Leasing & Factoring). In December 2021, CAL&F consolidated its strategy to be a key player in the usage economy by acquiring 100% of the capital of Olinn, the leading player in comprehensive equipment financing and management solutions.

## Large Customers

The Large Customers division includes corporate and investment banking, which itself consists of two main lines of business most of which are carried out by Crédit Agricole CIB, and asset servicing for institutions and issuers carried out by CACEIS:

- financing activities, which include corporate banking and structured finance in France and internationally. Structured finance consists of originating, structuring and financing investment transactions often collateralised by physical assets (planes, boats, office buildings, commodities, etc.) and complex and structured credit instruments;
- capital markets and investment banking activities bring together capital market activities (treasury, foreign exchange, interest rate derivatives, bond markets), and investment banking activities (mergers and acquisitions consulting and primary equity advisory);
- financial services for institutional investors and issuers: CACEIS Bank for custody and depositary services, CACEIS Fund Administration for fund administration services and CACEIS Corporate Trust for issuer services.

- **Corporate Centre**

This segment encompasses:

- Crédit Agricole S.A.'s corporate centre function, asset and liability management and management of debt connected with acquisitions of subsidiaries or equity investments and the net impact of tax consolidation for Crédit Agricole S.A.;
- the results from private equity activities and various other Crédit Agricole Group companies (particularly CA Immobilier, Uni-médias, Foncaris, BForBank etc.);
- the results from services companies including IT and payment companies (CA-GIP and CAPS) and real-estate companies.

The division also includes the technical and volatile impacts related to intragroup transactions.

## 5.1 Operating segment information

Transactions between operating segments are effected at arm's length.

| (in millions of euros) | 30/06/2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | French Retail Banking | | International retail banking | Asset gathering | Large customers | Specialised financial services | Corporate center | Total |
| | *Regional banks* | *LCL* | | | | | | |
| Revenues | 7,431 | 1,996 | 1,635 | 3,388 | 3,692 | 1,372 | **287** | **19,801** |
| Operating expenses | (4,840) | (1,237) | (1,057) | (1,732) | (2,369) | (759) | **(605)** | **(12,599)** |
| **Gross operating income** | **2,591** | **759** | **578** | **1,656** | **1,323** | **613** | **(318)** | **7,202** |
| Cost of risk | (557) | (104) | (393) | (5) | (202) | (237) | **(6)** | **(1,504)** |
| **Operating income** | **2,034** | **655** | **185** | **1,651** | **1,121** | **376** | **(324)** | **5,698** |
| Share of net income of equity-accounted entities | 5 | - | 1 | 41 | 6 | 158 | **-** | **211** |
| Net gains (losses) on other assets | 24 | 5 | 6 | 3 | (1) | (2) | **-** | **35** |
| Change in value of goodwill | - | - | - | - | - | - | **-** | **-** |
| **Pre-tax income** | **2,063** | **660** | **192** | **1,695** | **1,126** | **532** | **(324)** | **5,944** |
| Income tax charge | (517) | (176) | (112) | (354) | (279) | (114) | **50** | **(1,502)** |
| Net income from discontinued operations | - | - | 13 | 6 | - | 2 | **-** | **21** |
| **Net income** | **1,546** | **484** | **93** | **1,347** | **847** | **420** | **(274)** | **4,463** |
| Non-controlling interests | 1 | 2 | 58 | 206 | 36 | 56 | **4** | **363** |
| **NET INCOME GROUP SHARE** | **1,545** | **482** | **35** | **1,141** | **811** | **364** | **(278)** | **4,100** |

| (in millions of euros) | 31/12/2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | French Retail Banking | | International retail banking | Asset gathering | Large customers | Specialised financial services | Corporate center | Total |
| | *Regional banks* | *LCL* | | | | | | |
| Revenues | 14,096 | 3,696 | 3,180 | 6,528 | 6,318 | 2,692 | **312** | **36,822** |
| Operating expenses | (9,074) | (2,371) | (2,331) | (3,012) | (4,036) | (1,402) | **(855)** | **(23,081)** |
| **Gross operating income** | **5,022** | **1,325** | **849** | **3,516** | **2,282** | **1,290** | **(543)** | **13,741** |
| Cost of risk | (605) | (222) | (786) | (18) | (39) | (505) | **(18)** | **(2,193)** |
| **Operating income** | **4,417** | **1,103** | **63** | **3,498** | **2,243** | **785** | **(561)** | **11,548** |
| Share of net income of equity-accounted entities | (11) | - | 3 | 84 | 8 | 308 | **-** | **392** |
| Net gains (losses) on other assets | 27 | 6 | (13) | - | (39) | (8) | **-** | **(27)** |
| Change in value of goodwill [1] | - | - | 497 | - | - | - | **-** | **497** |
| **Pre-tax income** | **4,433** | **1,109** | **550** | **3,582** | **2,212** | **1,085** | **(561)** | **12,410** |
| Income tax charge | (1,249) | (309) | 198 | (643) | (512) | (120) | **172** | **(2,463)** |
| Net income from discontinued operations | - | - | 1 | 5 | - | - | **-** | **6** |
| **Net income** | **3,184** | **800** | **749** | **2,944** | **1,700** | **965** | **(389)** | **9,953** |
| Non-controlling interests | 1 | - | 132 | 501 | 57 | 157 | **4** | **852** |
| **NET INCOME GROUP SHARE** | **3,183** | **800** | **617** | **2,443** | **1,643** | **808** | **(393)** | **9,101** |

*[1] Negative goodwill of €497 million following the acquisition of Credito Valtellinese by CA Italia.*

| (in millions of euros) | 30/06/2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | French Retail Banking | | International retail banking | Asset gathering | Large customers | Specialised financial services | Corporate center | Total |
| | *Regional banks* | *LCL* | | | | | | |
| Revenues | 7,007 | 1,822 | 1,529 | 3,348 | 3,226 | 1,302 | **119** | **18,353** |
| Operating expenses | (4,590) | (1,202) | (957) | (1,542) | (2,159) | (685) | **(385)** | **(11,519)** |
| **Gross operating income** | **2,417** | **620** | **572** | **1,806** | **1,067** | **617** | **(266)** | **6,834** |
| Cost of risk | (339) | (126) | (222) | (25) | (27) | (262) | **(6)** | **(1,007)** |
| **Operating income** | **2,078** | **494** | **350** | **1,781** | **1,040** | **356** | **(272)** | **5,827** |
| Share of net income of equity-accounted entities | (10) | - | - | 38 | 3 | 161 | **-** | **192** |
| Net gains (losses) on other assets | 12 | 1 | (14) | - | (37) | 12 | **3** | **(23)** |
| Change in value of goodwill [1] | 1 | - | 378 | - | - | - | **-** | **379** |
| **Pre-tax income** | **2,081** | **495** | **714** | **1,819** | **1,006** | **529** | **(269)** | **6,375** |
| Income tax charge | (629) | (151) | (71) | (300) | (219) | (109) | **78** | **(1,401)** |
| Net income from discontinued operations | - | - | (1) | 5 | - | 1 | **-** | **5** |
| **Net income** | **1,452** | **345** | **642** | **1,524** | **787** | **421** | **(191)** | **4,979** |
| Non-controlling interests | 1 | - | 110 | 267 | 23 | 51 | **3** | **455** |
| **NET INCOME GROUP SHARE** | **1,451** | **344** | **532** | **1,257** | **764** | **370** | **(194)** | **4,524** |

## 5.2 Specific characteristics of insurance

(See Chapter on "Risk factors – Insurance sector risks" on managing the insurance sector risk)

## GROSS INCOME OF THE INSURANCE COMPANIES

| *(in millions of euros)* | 30/06/2022 | | | 31/12/2021 | | | 30/06/2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Income statement prior to reclassification of overlay approach** | **Reclassification related to overlay approach** | **Income statement post-reclassification of overlay approach** | **Recognition in accordance with IFRS 9 excluding effect of overlay approach** | **Effect of overlay approach** | **Recognition after effect of overlay approach** | **Recognition in accordance with IFRS 9 excluding effect of overlay approach** | **Effect of overlay approach** | **Recognition after effect of overlay approach** |
| Written premium | 20,083 | - | 20,083 | 37,130 | - | 37,130 | 19,792 | - | 19,792 |
| Change in unearned premiums | (709) | - | (709) | (152) | - | (152) | (768) | - | (768) |
| **Earned premiums** | **19,374** | **-** | **19,374** | **36,978** | **-** | **36,978** | **19,024** | **-** | **19,024** |
| **Other operating income** | **88** | **-** | **88** | **164** | **-** | **164** | **60** | **-** | **60** |
| Investment income | 4,284 | (5) | 4,279 | 7,070 | (6) | 7,064 | 3,670 | (3) | 3,667 |
| Investment expenses | (405) | - | (405) | (461) | 1 | (460) | (224) | - | (224) |
| Gains (losses) on disposals of investments net of impairment and amortisation reversals | 2 | 243 | 245 | (178) | 277 | 99 | 35 | 85 | 120 |
| Change in fair value of investments at fair value through profit or loss | (14,006) | 3,870 | (10,136) | 10,119 | (1,828) | 8,291 | 6,507 | (1,219) | 5,288 |
| Change in impairment on investments | - | (27) | (27) | (52) | 64 | 12 | (67) | 22 | (45) |
| **Investment income net of expenses** | **(10,125)** | **4,081** | **(6,044)** | **16,498** | **(1,492)** | **15,006** | **9,921** | **(1,115)** | **8,806** |
| **Claims expenses [1]** | **(6,091)** | **(3,535)** | **(9,626)** | **(45,962)** | **1,324** | **(44,638)** | **(25,217)** | **997** | **(24,220)** |
| Revenue from reinsurance operations | 378 | - | 378 | 706 | - | 706 | 445 | - | 445 |
| Expenses from reinsurance operations | (419) | - | (419) | (843) | - | (843) | (422) | - | (422) |
| **Net reinsurance income (expense)** | **(41)** | **-** | **(41)** | **(137)** | **-** | **(137)** | **23** | **-** | **23** |
| Contract acquisition costs | (1,243) | - | (1,243) | (2,372) | - | (2,372) | (1,205) | - | (1,205) |
| Amortisation of investment securities and similar | - | - | - | - | - | - | - | - | - |
| Administration costs | (1,194) | - | (1,194) | (2,353) | - | (2,353) | (1,193) | - | (1,193) |
| Other current operating income (expense) | (257) | - | (257) | (447) | - | (447) | (219) | - | (219) |
| Other operating income (expense) | - | - | - | (26) | - | (26) | 2 | - | 2 |
| **Operating income** | **511** | **546** | **1,057** | **2,343** | **(168)** | **2,175** | **1,196** | **(118)** | **1,078** |
| Financing expenses | (92) | - | (92) | (282) | - | (282) | (103) | - | (103) |
| Share of net income of associates | - | - | - | - | - | - | 1 | - | 1 |
| Income tax charge | (111) | (75) | (186) | (335) | (23) | (358) | (206) | 1 | (205) |
| Net income from discontinued or held-for-sale operations | 5 | - | 5 | (2) | - | (2) | - | - | - |
| **Consolidated net income** | **313** | **471** | **784** | **1,724** | **(191)** | **1,533** | **888** | **(117)** | **771** |
| **Non-controlling interests** | **(38)** | **-** | **(38)** | **(75)** | **-** | **(75)** | **38** | **-** | **38** |
| **NET INCOME GROUP SHARE** | **275** | **471** | **746** | **1,649** | **(191)** | **1,458** | **850** | **(117)** | **733** |

*[1] Including -€12.87 billion of cost of redemptions and claims at 30 June 2022 (-€12.93 billion at 30 June 2021), -€0.7 billion in changes in policyholder's profit-sharing at 30 June 2022 (idem at 30 June 2021), and €4.4 billion in changes in technical reserves at 30 June 2022 (€-10.2 billion at 30 June 2021).*

## BREAKDOWN OF INSURANCE COMPANY INVESTMENTS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| **Financial assets at fair value through profit or loss** | **181,561** | **197,794** |
| **Held for trading financial assets** | **1,257** | **1,389** |
| **Other financial instruments  at fair value through profit or loss** | **180,304** | **196,405** |
| **Hedging derivative Instruments** | **5** | **42** |
| **Financial assets at fair value through other comprehensive income** | **195,513** | **221,357** |
| **Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss** | **195,372** | **221,223** |
| **Equity instruments at fair value  through other comprehensive income that will not be reclassified to profit or loss** | **141** | **134** |
| **Financial assets at amortised cost** | **6,130** | **4,498** |
| Loans and receivables | 4 654 | 3 051 |
| Debt securities | 1 476 | 1 447 |
| **Investment property** | **7,500** | **7,146** |
| **Investments in associates and joint venture** | **4,535** | **4,467** |
| **TOTAL INSURANCE COMPANY INVESTMENTS** | **395,244** | **435,304** |

As of 30 June 2022, investments in Insurance equity-accounted entities amount to €4,535 million compared with €4,467 million at 31 December 2021.

| | 30/06/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Carrying amount | Unrealised gains | Unrealised losses | Carrying amount | Unrealised gains | Unrealised losses |
| **Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss** | **195,372** | **2,470** | **(16,969)** | **221,223** | **14,951** | **(638)** |
| **Equity instruments at fair value  through other comprehensive income that will not be reclassified to profit or loss** | **141** | **2** | **(17)** | **134** | **3** | **(15)** |
| **Total of financial assets at fair value through other comprehensive income** | **195,513** | **2,472** | **(16,986)** | **221,357** | **14,954** | **(653)** |

## RECLASSIFICATION BETWEEN NET INCOME AND OTHER COMPREHENSIVE INCOME FOR FINANCIAL ASSETS DESIGNATED UNDER THE OVERLAY APPROACH

| | 30/06/2022 | | | 31/12/2021 | | | 30/06/2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | **Amount reported for the designated financial assets applying IFRS9** | **Amount that would have been reported for the designated financial assets applying IAS39** | **Amount reclassified in other comprehensive income applying the overlay approach** | **Amount reported for the designated financial assets applying IFRS9** | **Amount that would have been reported for the designated financial assets applying IAS39** | **Amount reclassified in other comprehensive income applying the overlay approach** | **Amount reported for the designated financial assets applying IFRS9** | **Amount that would have been reported for the designated financial assets applying IAS39** | **Amount reclassified in other comprehensive income applying the overlay approach** |
| Investment income | 497 | 492 | (5) | 726 | 720 | (6) | 460 | 457 | (3) |
| Investment expenses | (3) | (3) | - | (7) | (6) | 1 | (3) | (3) | - |
| Gains (losses) on disposals of investments net of impairment and amortisation reversals | *(9)* | *234* | *243* | *84* | *361* | *277* | *34* | *119* | *85* |
| Change in fair value of investments at fair value through profit or loss | *(3,870)* | - | *3,870* | *1,828* | | *(1,828)* | *1,219* | - | *(1,219)* |
| Change in impairment on investments | - | (27) | (27) | | 64 | 64 | - | 22 | 22 |
| **Investment income net of expenses** | **(3,385)** | **696** | **4,081** | **2,631** | **1,139** | **(1,492)** | **1,710** | **595** | **(1,115)** |
| **Claims expenses** | | | **(3,535)** | | | **1,324** | | | **997** |
| **Operating income** | | | **546** | | | **(168)** | | | **(118)** |
| Income tax charge | | | (75) | | | (23) | | | 1 |
| **NET INCOME GROUP SHARE** | | | **471** | | | **(191)** | | | **(117)** |

# NOTE 6 Notes to the balance sheet

## 6.1 Financial assets and liabilities at fair value through profit or loss

### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Held for trading financial assets | 260,068 | 233,031 |
| Other financial instruments at fair value through profit or loss | 184,605 | 200,103 |
| Equity instruments | 39,582 | 41,895 |
| Debt instruments that do not meet the conditions of the "SPPI" test [1] | 73,573 | 82,147 |
| Assets backing unit-linked contracts | 71,369 | 75,991 |
| Financial assets designated at fair value through profit or loss | 81 | 70 |
| **CARRYING AMOUNT** | **444,673** | **433,134** |
| *Of which lent securities* | 3 | 1 |

*[1] Including €60,626 million in UCITS at 30 June 2022 versus €66,166 million at 31 December 2021*

### FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Held for trading financial liabilities | 236,155 | 205,075 |
| Financial liabilities designated at fair value through profit or loss [1] | 36,417 | 38,480 |
| **CARRYING AMOUNT [2]** | **272,572** | **243,555** |

*[1] Including -€407 million relating to the issuer spread, the changes in which are recognised in equity that cannot be reclassified at 30 June 2022 compared with an issuer spread of +€370 million at 31 December 2021*
*[2] Including €16 million in securities borrowed at 30 June 2022 versus €11 million at 31 December 2021*

Pursuant to IFRS 9, the Crédit Agricole Group calculates changes in fair value attributable to changes in own credit risk using a methodology that allows for them to be separated from changes in value attributable to changes in market conditions.

- Basis for calculating own credit risk

The source taken into account for the calculation of own credit risk may vary from one issuer to another. Within the Crédit Agricole Group, the source used is the change in its cost of market refinancing based on the type of issuance.

- Calculation of unrealised gains/losses on own credit adjustment (recognised in other comprehensive income)

The Crédit Agricole Group's preferred approach is based on the liquidity component of issues. All issues are replicated by a group of vanilla loans/borrowings. Changes in fair value attributable to changes in own credit risk of all issues therefore correspond to those of said loans. These are equal to the changes in fair value of the loan book caused by changes in the cost of refinancing.

- Calculation of realised gains/losses on own credit risk (recognised in consolidated reserves)

The Crédit Agricole Group has elected to transfer fair value changes attributable to changes in own credit risk upon unwinding to consolidated reserves. Accordingly, when there is a total or partial early redemption, a sensitivity-based calculation is done. This consists of measuring the change in fair value attributable to the changes in own credit risk of a given issuance as being the sum of the credit spread sensitivities multiplied by the change in this spread between the issuance date and the redemption date.

## 6.2 Financial assets at fair value through other comprehensive income

| | 30/06/2022 | | |
|---|---|---|---|
| *(in millions of euros)* | Carrying amount | Unrealised gains | Unrealised losses |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | 231,442 | 2,833 | (17,075) |
| Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | 4,207 | 1,208 | (1,083) |
| **TOTAL** | **235,649** | **4,041** | **(18,158)** |

| | 31/12/2021 | | |
|---|---|---|---|
| *(in millions of euros)* | Carrying amount | Unrealised gains | Unrealised losses |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | 264,572 | 15,056 | (678) |
| Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | 4,128 | 1,175 | (1,076) |
| **TOTAL** | **268,700** | **16,231** | **(1,754)** |

### DEBT INSTRUMENTS AT FAIR VALUE THROUGH EQUITY THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS

| | 30/06/2022 | | |
|---|---|---|---|
| *(in millions of euros)* | Carrying amount | Unrealised gains | Unrealised losses |
| Treasury bills and similar securities | 73,734 | 1,236 | (6,256) |
| Bonds and other fixed income securities | 157,708 | 1,597 | (10,819) |
| **Total Debt securities** | **231,442** | **2,833** | **(17,075)** |
| Loans and receivables due from credit institutions | - | - | - |
| Loans and receivables due from customers | - | - | - |
| **Total Loans and receivables** | **-** | **-** | **-** |
| **Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss** | **231,442** | **2,833** | **(17,075)** |
| Income tax charge | | (668) | 4,526 |
| **OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)** | | **2,165** | **(12,549)** |

| (in millions of euros) | 31/12/2021 Carrying amount | Unrealised gains | Unrealised losses |
|---|---|---|---|
| Treasury bills and similar securities | 84,413 | 7,150 | (471) |
| Bonds and other fixed income securities | 180,159 | 7,906 | (207) |
| **Total Debt securities** | **264,572** | **15,056** | **(678)** |
| Loans and receivables due from credit institutions | - | - | - |
| Loans and receivables due from customers | - | - | - |
| **Total Loans and receivables** | **-** | **-** | **-** |
| **Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss** | **264,572** | **15,056** | **(678)** |
| Income tax charge | | (4,079) | 213 |
| **OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)** | | **10,977** | **(465)** |

## EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS

### OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT CANNOT BE RECLASSIFIED

| (in millions of euros) | 30/06/2022 Carrying amount | Unrealised gains | Unrealised losses |
|---|---|---|---|
| Equities and other variable income securities | 897 | 27 | (122) |
| Non-consolidated equity investments | 3,310 | 1,181 | (961) |
| **Total Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss** | **4,207** | **1,208** | **(1,083)** |
| Income tax charge | | (97) | 10 |
| **OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)** | | **1,111** | **(1,073)** |

| (in millions of euros) | 31/12/2021 Carrying amount | Unrealised gains | Unrealised losses |
|---|---|---|---|
| Equities and other variable income securities | 892 | 19 | (103) |
| Non-consolidated equity investments | 3,236 | 1,156 | (973) |
| **Total Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss** | **4,128** | **1,175** | **(1,076)** |
| Income tax charge | | (94) | 16 |
| **OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)** | | **1,081** | **(1,060)** |

**EQUITY INSTRUMENTS DERECOGNISED DURING THE PERIOD**

| | 30/06/2022 | | |
|---|---|---|---|
| *(in millions of euros)* | Fair value at the date of derecognition | Cumulative gains realised [1] | Cumulative losses realised [1] |
| Equities and other variable income securities | - | - | - |
| Non-consolidated equity investments | 35 | 8 | (12) |
| **Total Investments in equity instruments** | **35** | **8** | **(12)** |
| Income tax charge | | - | - |
| **OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX) [1]** | | **8** | **(12)** |

[1] *Realised gains and losses are transferred to consolidated reserves when the instrument in question is derecognised.*

| | 31/12/2021 | | |
|---|---|---|---|
| *(in thousands of euros)* | Fair value at the date of derecognition | Cumulative gains realised [1] | Cumulative losses realised [1] |
| Equities and other variable income securities | 4 | - | - |
| Non-consolidated equity investments | 105 | 4 | (64) |
| **Total Investments in equity instruments** | **109** | **4** | **(64)** |
| Income tax charge | | - | - |
| **OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX) [1]** | | **4** | **(64)** |

[1] *Realised gains and losses are transferred to consolidated reserves when the instrument in question is derecognised.*

## 6.3 Financial assets at amortised cost

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Loans and receivables due from credit institutions | 109,079 | 96,703 |
| Loans and receivables due from customers | 1,084,509 | 1,051,592 |
| Debt securities | 113,186 | 109,988 |
| **CARRYING AMOUNT** | **1,306,774** | **1,258,283** |

## LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| ***Credit institutions*** | | |
| Loans and receivables | 100,588 | 90,672 |
| *of which non doubtful current accounts in debit [1]* | *11,452* | *7,236* |
| *of which non doubtful overnight accounts and advances [1]* | *518* | *146* |
| Pledged securities | - | - |
| Securities bought under repurchase agreements | 8,356 | 5,879 |
| Subordinated loans | 564 | 564 |
| Other loans and receivables | 2 | 2 |
| **Gross amount** | **109,510** | **97,117** |
| Impairment | (432) | (414) |
| **CARRYING AMOUNT** | **109,079** | **96,703** |

*[1] These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the Cash Flow Statement.*

## LOANS AND RECEIVABLES DUE FROM CUSTOMERS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| ***Customer transactions*** | | |
| Trade receivables | 43,823 | 39,135 |
| Other customer loans | 1,015,075 | 992,172 |
| Pledged securities | - | 240 |
| Securities bought under repurchase agreements | 5,007 | 3,915 |
| Subordinated loans | 87 | 171 |
| Insurance receivables | 410 | 151 |
| Reinsurance receivables | 917 | 852 |
| Advances in associates' current accounts | 868 | 831 |
| Current accounts in debit | 17,758 | 14,229 |
| **Gross amount** | **1,083,945** | **1,051,696** |
| Impairment | (18,874) | (18,401) |
| **Net value of loans and receivables due from customers** | **1,065,071** | **1,033,295** |
| ***Finance leases*** | | |
| Property leasing | 5,720 | 5,281 |
| Equipment leases, operating leases and similar transactions | 14,300 | 13,562 |
| **Gross amount** | **20,020** | **18,843** |
| Impairment | (582) | (546) |
| **Net value of lease financing operations** | **19,438** | **18,297** |
| **CARRYING AMOUNT [1]** | **1,084,509** | **1,051,592** |

*[1] At 30 June 2022, French State-guaranteed loans ("prêts garantis par l'Etat" or PGE) amounted to €21.1 billion. These loans were granted by the Crédit Agricole Group as part of the economic support measures related to the Covid-19 health crisis.*

### DEBT SECURITIES

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Treasury bills and similar securities | 44,229 | 44,312 |
| Bonds and other fixed income securities | 69,071 | 65,775 |
| **Total** | **113,300** | **110,087** |
| Impairment | (114) | (99) |
| **CARRYING AMOUNT** | **113,186** | **109,988** |

## 6.4 Financial liabilities at amortised cost

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Due to credit institutions | 228,435 | 221,192 |
| Due to customers | 1,063,631 | 1,044,566 |
| Debt securities | 196,572 | 181,705 |
| **CARRYING AMOUNT** | **1,488,638** | **1,447,463** |

### DUE TO CREDIT INSTITUTIONS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| ***Credit institutions*** | | |
| Accounts and borrowings | 210,522 | 203,985 |
| *of which current accounts in credit* [1] | *10,072* | *7,755* |
| *of which overnight accounts and deposits* [1] | *2,101* | *4,239* |
| Pledged securities | - | - |
| Securities sold under repurchase agreements | 17,913 | 17,207 |
| **CARRYING AMOUNT** | **228,435** | **221,192** |

[1] *These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the Cash Flow Statement.*

At 30 June 2022, TLTRO III borrowings from the ECB reached €162 billion, the same level as at 31 December 2021.

### DUE TO CUSTOMERS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Current accounts in credit | 543,755 | 550,200 |
| Special savings accounts | 360,104 | 349,946 |
| Other amounts due to customers | 155,568 | 139,931 |
| Securities sold under repurchase agreements | 1,655 | 2,124 |
| Insurance liabilities | 1,010 | 973 |
| Reinsurance liabilities | 725 | 676 |
| Cash deposits received from ceding and retroceding companies against technical insurance commitments | 814 | 716 |
| **CARRYING AMOUNT** | **1,063,631** | **1,044,566** |

### DEBT SECURITIES

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Interest bearing notes | 12 | 13 |
| Interbank securities | 5,845 | 7,862 |
| Negotiable debt securities | 88,741 | 69,629 |
| Bonds | 99,864 | 101,816 |
| Other debt securities | 2,110 | 2,385 |
| **Carrying amount** | **196,572** | **181,705** |

[1] *Includes issues of covered bonds and issues of senior non-preferred bonds.*

Debt securities issued by Crédit Agricole S.A. and held by insurance entities of the Crédit Agricole Group are eliminated for euro contracts. They were also eliminated when they were backing unit-linked contracts with financial risk borne entirely by the policyholder.

## 6.5 Non-current assets held for sale and discontinued operations

### BALANCE SHEET OF DISCONTINUED OR HELD FOR SALE OPERATIONS

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Cash, central banks | 124 | 215 |
| Financial assets at fair value through profit or loss | 720 | 419 |
| Hedging derivative Instruments | - | - |
| Financial assets at fair value through other comprehensive income | 925 | 704 |
| Financial assets at amortised cost | 5,039 | 1,308 |
| Revaluation adjustment on interest rate hedged portfolios | - | - |
| Current and deferred tax assets | 63 | 6 |
| Accruals, prepayments and sundry assets | 291 | 222 |
| Investments in equity-accounted entities | - | - |
| Investment property | (7) | 19 |
| Property, plant and equipment | 170 | 34 |
| Intangible assets | 84 | 38 |
| Goodwill | - | - |
| **Total Assets** | **7,409** | **2,965** |
| Central banks | - | - |
| Financial liabilities at fair value through profit or loss | 2 | - |
| Hedging derivative Instruments | - | - |
| Financial liabilities at amortised cost | 4,583 | 1,143 |
| Revaluation adjustment on interest rate hedged portfolios | - | - |
| Current and deferred tax liabilities | 29 | 20 |
| Accruals, prepayments and sundry liabilities | 216 | 103 |
| Insurance compagny technical reserves | 1,397 | 1,280 |
| Provisions | 55 | 5 |
| Subordinated debt | 121 | - |
| Adjustment to fair value of assets held for sale and discontinued operations (excluding taxes) | 21 | 15 |
| **Total Liabilities and Equity** | **6,424** | **2,566** |
| **Net asset from discontinued or held-for-sale operations** | **985** | **399** |

**INCOME STATEMENT FROM DISCONTINUED OPERATIONS**

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 | 30/06/2021 |
|---|---|---|---|
| Revenues | 177 | 129 | 55 |
| Operating expenses | (84) | (113) | (54) |
| Depreciation, amortisation and impairment of property, plant & equipment and intangible assets | (17) | (23) | (5) |
| Cost of risk | (7) | 8 | 6 |
| **Pre-tax income** | **69** | **1** | **2** |
| Share of net income of equity-accounted entities | - | - | - |
| Net gains (losses) on other assets | 2 | 26 | 26 |
| Change in value of goodwill | - | - | - |
| Income tax charge | (30) | (21) | (23) |
| **Net income** | **41** | **6** | **5** |
| Income associated with fair value adjustments of discontinued operations | (20) | - | - |
| **Net income from discontinued operations** | **21** | **6** | **5** |
| Non-controlling interests | - | - | - |
| **NET INCOME FROM DISCONTINUED OPERATIONS - GROUP SHARE** | **21** | **6** | **5** |

**DISCONTINUED OPERATIONS CASH FLOW STATEMENT**

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Net cash flows from (used by) operating activities | (122) | 25 |
| Net cash flows from (used by) investment activities | (237) | (100) |
| Net cash flows from (used by) financing activities | 112 | (3) |
| **TOTAL** | **(248)** | **(78)** |

## 6.6 Investment property

| *(in millions of euros)* | 31/12/2021 | Changes in scope | Increases (acquisitions) | Decreases (disposals) | Translation adjustments | Transfers in non-current assets held for sale and discontinued operations | Other movements | 30/06/2022 |
|---|---|---|---|---|---|---|---|---|
| Gross amount | 8,960 | 85 | 661 | (388) | - | - | 19 | **9,337** |
| Depreciation and impairment | (668) | (36) | (25) | 58 | - | - | - | **(671)** |
| **CARRYING AMOUNT [1]** | **8,292** | **49** | **636** | **(330)** | **-** | **-** | **19** | **8,666** |

[1] *Including investment property let to third parties.*

| *(in millions of euros)* | 31/12/2020 | Changes in scope | Increases (acquisitions) | Decreases (disposals) | Translation adjustments | Transfers in non-current assets held for sale and discontinued operations | Other movements | 31/12/2021 |
|---|---|---|---|---|---|---|---|---|
| Gross amount | 7,933 | 168 | 1,484 | (617) | - | (8) | (8) | **8,960** |
| Depreciation and impairment | (571) | (55) | (48) | 11 | - | (5) | (5) | **(668)** |
| **CARRYING AMOUNT [1]** | **7,362** | **113** | **1,436** | **(606)** | **-** | **(13)** | **(13)** | **8,292** |

[1] *Including investment property let to third parties.*

## 6.7 Goodwill

| *(in millions of euros)* | 31/12/2021 GROSS | 31/12/2021 NET | Increases (acquisitions) | Decreases (Divestments) | Impairment losses | Translation adjustments | Other movements | 30/06/2022 GROSS | 30/06/2022 NET |
|---|---|---|---|---|---|---|---|---|---|
| **French Retail Banking** | **5,589** | **4,376** | **-** | **-** | **-** | **-** | **-** | **5,589** | **4,376** |
| of which LCL Group | 5,558 | 4,354 | - | - | - | - | - | 5,558 | 4,354 |
| including Caisses Régionales | 31 | 22 | - | - | - | - | - | 31 | 22 |
| **International retail banking [1]** | **3,388** | **835** | **-** | **(27)** | **27** | **(4)** | **-** | **3,349** | **831** |
| of which Italy | 3,042 | 796 | - | - | - | - | - | 3,042 | 796 |
| of which Poland | 205 | - | - | - | - | - | - | 200 | - |
| of which Ukraine | 43 | - | - | - | - | - | - | 43 | - |
| of which other countries | 98 | 39 | - | (27) | 27 | (4) | - | 64 | 35 |
| **Asset gathering** | **8,066** | **8,067** | **-** | **-** | **-** | **63** | **(2)** | **8,128** | **8,128** |
| of which asset management | 5,922 | 5,923 | - | - | - | 37 | (2) | 5,958 | 5,958 |
| of which insurance | 1,262 | 1,262 | - | - | - | - | - | 1,262 | 1,262 |
| of which international wealth management | 882 | 882 | - | - | - | 26 | - | 908 | 908 |
| **Specialised financial services** | **3,097** | **1,339** | **(6)** | **-** | **-** | **-** | **-** | **3,090** | **1,333** |
| of which Consumer finance (excl.Agos) | 1,756 | 963 | - | - | - | - | - | 1,756 | 963 |
| of which Consumer finance-Agos | 672 | 103 | - | - | - | - | - | 672 | 103 |
| of which Factoring [2] | 669 | 273 | (6) | - | - | - | - | 662 | 267 |
| **Large customers** | **2,726** | **1,406** | **-** | **-** | **-** | **1** | **-** | **2,728** | **1,407** |
| of which Corporate and investment banking | 1,817 | 497 | - | - | - | 1 | - | 1,819 | 498 |
| of which Asset servicing | 909 | 909 | - | - | - | - | - | 909 | 909 |
| **Corporate Centre [3]** | **92** | **86** | **32** | **-** | **-** | **-** | **-** | **125** | **118** |
| **TOTAL** | **22,958** | **16,109** | **26** | **(27)** | **27** | **60** | **(2)** | **23,009** | **16,193** |
| **Group Share** | **20,953** | **14,287** | **39** | **(13)** | **27** | **48** | **(3)** | **21,028** | **14,385** |
| **Non-controlling interests** | **2,005** | **1,822** | **(13)** | **(14)** | **-** | **12** | **1** | **1,981** | **1,808** |

*[1] Decrease in the gross goodwill of International Retail Banking in the amount of -€27 million at 30 June 2022 in the context of the disposal of the entity Crédit Agricole Banka Srbija Akcionarsko Novi Sad. The related depreciation in the amount of +€27 million was also removed.*

*[2] Goodwill adjustment of -€6 million at 30 June 2022 following the consolidation of OLINN in the CALF Group at 31 December 2021.*

*[3] Including an increase in goodwill of €30 million at 30 June 2022 following the consolidation of new entities as part of the reorganisation of the real estate business.*

Goodwill is tested for impairment whenever there is objective evidence of a loss of value and at least once a year. Even if the increase in rates and the uncertainties generated by the Russian-Ukrainian crisis alone are not indexes of impairment, the consequences impact all economic sectors, including the financial sector. The impact of these factors generating uncertainty is reflected in the financial trajectories of the different business lines updated within the Medium-Term Plan.

During the second quarter of 2022, Crédit Agricole S.A. verified the absence of any major deviation from the trajectories used for the work done at 31 December 2021. For most of the CGUs, the positive difference between the value in use and the consolidated value at 31 December 2021 was comfortable enough for the Group to believe that updating the valuation tests at 30 June 2022 would not lead to impairment charges. For the CGUs that presented smaller differences between value in use and consolidated value at 31 December 2021, additional work was performed as part of closing the accounts at 30 June 2022. This is the case for Retail Banking in France - LCL, International Retail Banking – Italy and Consumer Finance(excl. Agos).

This work consisted of estimating the value of the goodwill on the basis of the revised financial trajectories and conducting sensitivity analyses, the results of which are presented below. The methodology remains unchanged from the work performed at 31 December 2021.

The calculation parameters used are the following:

- Discount rates: 7.7% for the Retail Banking in France - LCL CGU, 8.2% for the Consumer Finance CGU (excl. Agos) and 8.9% for the International Retail Banking - Italy CGU,
- Allocation of CET1 equity: 9.35% for the Retail Banking in France - LCL CGU, 9.34% for the Consumer Finance CGU (excl. Agos) and 9.48% for the International Retail Banking - Italy CGU,
- Growth rate to infinity of cash flow: kept at 2% for the three CGUs.

As a result of this work, Crédit Agricole S.A. did not find an index of goodwill impairment on these CGUs at 30 June 2022.

Sensitivity analyses have been conducted on the goodwill – Group share of these CGUs with variations of the main valuation parameters applied uniformly. These analyses show that the CGUs that have been impaired in recent years, namely the French Retail banking – LCL CGU and the international Retail banking – Italy CGU, are less sensitive to deteriorations in the model's parameters than previously.

- With regard to operational parameters:
  - A 50-basis point increase in discount rates would not result in a negative difference between value in use and consolidated value for any of the CGUs.
  - Even using an assumption of a significant increase of 100 basis points in discount rates, the difference would remain positive over all three of these CGUs.
  - A 100-basis point increase in the level of CET1 equity allocated to the CGUs would still result in a positive difference for all CGUs.
- With regard to operational parameters:
  - The simulated deterioration assumptions, namely a scenario of a +10% increase in the cost of risk in the last year of the projection combined with a +100 basis point change in the cost/income ratio for the same year, would not result in a negative difference between value in use and the consolidated carrying amount for these CGUs.

**Sensitivity of the values in use of the CGUs to the main valuation parameters**

| | Sensitivity to capital allocated | Sensitivity to the discount rate | | Sensitivity to cost of risk in the final year | | Sensitivity to the cost/income ratio in the final year | |
|---|---|---|---|---|---|---|---|
| **At 30 June 2022** | **+100 bp** | **-50 bp** | **50 bp** | **-10%** | **10%** | **-100 bp** | **+100 bp** |
| French Retail banking – LCL | (4.0%) | 8.6% | (7.2%) | 2.4% | (2.4%) | 3.0% | (3.0%) |
| International Retail Banking – Italy | (4.3%) | 7.1% | (6.2%) | +2.6% | (2.6%) | 2.8% | (2.8%) |
| Consumer finance (excl. Agos) | (5.7%) | 10.3% | (8.8%) | 13.0% | (13.0%) | +5.8% | (5.8%) |

## 6.8 Insurance company technical reserves

### BREAKDOWN OF INSURANCE TECHNICAL RESERVES

| | 30/06/2022 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | **Life** | **Non-Life** | **International** | **Creditor** | **Total** |
| Insurance contracts | 228,439 | 9,949 | 27,728 | 2,153 | **268,269** |
| Investment contracts with discretionary profit-sharing | 64,392 | - | 17,603 | - | **81,995** |
| Investment contracts without discretionary profit-sharing | 2,357 | - | 1,486 | - | **3,843** |
| Deferred participation benefits (liability) | 4 | - | 5 | - | **9** |
| Other technical reserves | - | - | - | - | **-** |
| **Total Technical reserves** | **295,192** | **9,949** | **46,822** | **2,153** | **354,116** |
| Deferred participation benefits (asset) | (5,459) | (196) | (1,718) | - | **(7,373)** |
| Reinsurer's share of technical reserves | (753) | (606) | (74) | (348) | **(1,781)** |
| **NET TECHNICAL RESERVES** | **288,980** | **9,147** | **45,030** | **1,805** | **344,962** |

| | 31/12/2021 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | **Life** | **Non-Life** | **International** | **Creditor** | **Total** |
| Insurance contracts | 228,907 | 8,863 | 28,475 | 2,115 | **268,360** |
| Investment contracts with discretionary profit-sharing | 65,568 | - | 17,178 | - | **82,746** |
| Investment contracts without discretionary profit-sharing | 2,845 | - | 1,706 | - | **4,551** |
| Deferred participation benefits (liability) | 21,473 | 70 | 699 | - | **22,242** |
| Other technical reserves | - | - | - | - | **-** |
| **Total Technical reserves** | **318,793** | **8,933** | **48,058** | **2,115** | **377,899** |
| Deferred participation benefits (asset) | (3) | - | - | - | **(3)** |
| Reinsurer's share of technical reserves | (735) | (537) | (75) | (350) | **(1,697)** |
| **NET TECHNICAL RESERVES** | **318,055** | **8,396** | **43,857** | **1,716** | **376,199** |

Reinsurers' share in technical reserves and other insurance liabilities is recognised under "Accruals, prepayments and sundry liabilities." The breakdown of insurance company technical reserves is presented before elimination of issues in euro and in units of account subscribed by insurance companies.

Policyholders' deferred profit sharing, before tax, at 30 June 2022 and 31 December 2021 breaks down as follows:

| **Deferred participation benefits**<br>*(in millions of euros)* | **30/06/2022**<br>**Deferred participation benefits in liabilities (in assets when appropriate)** | **31/12/2021**<br>**Deferred participation benefits in liabilities (in assets when appropriate)** |
|---|---|---|
| Deferred participation on revaluation of financial assets at fair value through other comprehensive income and hedging derivatives | 11,385 | (16,005) |
| *of which deferred participation on revaluation of financial assets at fair value through other comprehensive income* | *11,350* | *(16,040)* |
| *of which deferred participation hedging derivatives* | *35* | *35* |
| Deferred participation on financial assets at fair value through profit or loss adjustement | (1,875) | (4,074) |
| Other deferred participation | (2,146) | (2,160) |
| **TOTAL PRE-TAX OTHER DEFERRED PARTICIPATION BENEFITS** | **7,364** | **(22,239)** |

[1] *see Note 6.2 "Financial assets at fair value through equity."*

## 6.9 Provisions

| *(in millions of euros)* | **31/12/2021** | **Changes in scope** | **Additions** | **Reversals, amounts used** | **Reversals, amounts not used** | **Translation adjustments** | **Other movements** | **30/06/2022** |
|---|---|---|---|---|---|---|---|---|
| Home purchase schemes risks | 1,247 | - | - | - | (500) | - | - | **747** |
| Execution risks of commitments by signature | 1,835 | (1) | 1,505 | (4) | (1,551) | 41 | (26) | **1,799** |
| Operational risks | 482 | 1 | 55 | (48) | (29) | 2 | 1 | **464** |
| Employee retirement and similar benefits | 1,925 | (1) | 117 | (88) | (41) | 3 | (369) | **1,546** |
| Litigation | 758 | (1) | 53 | (32) | (41) | 1 | (9) | **729** |
| Equity investments | 6 | - | - | - | - | - | - | **6** |
| Restructuring | 22 | - | - | (3) | - | - | - | **19** |
| Other risks | 829 | - | 77 | (57) | (84) | 2 | (8) | **759** |
| **TOTAL** | **7,104** | **(2)** | **1,807** | **(232)** | **(2,246)** | **49** | **(411)** | **6,069** |

At 30 June 2022, employee retirement and similar benefits included €278 million (€307 million at 31 December 2021) of provisions arising from social costs of the restructuring plans. The provision for restructuring includes the non-social costs of those plans.

| *(in millions of euros)* | 31/12/2020 | 01/01/2021[1] | Changes in scope | Additions | Reversals, amounts used | Reversals, amounts unused | Translation adjustments | Other movements | 31/12/2021 |
|---|---|---|---|---|---|---|---|---|---|
| Home purchase schemes risks | 1,354 | - | - | 17 | - | (123) | - | (1) | **1,247** |
| Execution risks of commitments by signature | 1,656 | - | 8 | 3,093 | (66) | (2,894) | 32 | 6 | **1,835** |
| Operational risks | 343 | - | 3 | 207 | (15) | (61) | 4 | 1 | **482** |
| Employee retirement and similar benefits [1] | 1,972 | (133) | 93 | 391 | (137) | (56) | 11 | (216) | **1,925** |
| Litigation | 808 | - | 50 | 93 | (60) | (138) | 2 | 3 | **758** |
| Equity investments | 5 | - | - | 1 | (1) | - | - | 1 | **6** |
| Restructuring | 27 | - | - | 21 | (2) | (23) | - | (1) | **22** |
| Other risks | 697 | - | 75 | 331 | (123) | (175) | 4 | 20 | **829** |
| **TOTAL** | **6,862** | **(133)** | **229** | **4,154** | **(404)** | **(3,470)** | **53** | **(187)** | **7,104** |

[1] *Of which €1,255 million for post-employment benefits under defined-benefit schemes, including €196 million for the provision for long-service awards.*

[2] *Estimated impact of the first-time application of the IFRS IC decision of 21 April 2021 on calculating obligations relating to certain defined-benefit schemes. As at 1 January 2020, the impact on employee retirement schemes would have been -€226 million.*

## 6.10 Subordinated debt

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| Dated subordinated debt [1] | 23,795 | 25,342 |
| Undated subordinated debt [2] | 4 | 338 |
| Mutual security deposits | 201 | 191 |
| Participating securities and loans | 2 | 2 |
| **CARRYING AMOUNT** | **24,002** | **25,873** |

[1] *Includes issues of dated subordinated notes (TSR).*

[2] *Includes issues of deeply subordinated notes ("TSS") and undated subordinated notes ("TSDI").*

Debt securities issued by Crédit Agricole S.A. and held by insurance entities of Crédit Agricole S.A. are eliminated for euro and unit-linked contracts.

## 6.11 Undated financial instruments

The main issues of undated subordinated and deeply subordinated debt classified in Shareholders' equity Group share are:

| | | | | | At 30 june 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| Issue date | Currency | Amount in currency at 31 december 2021 *(in millions of units)* | Partial repurchases and redemptions *(in millions of units)* | Amount in currency at 30 june 2022 *(in millions of units)* | Amount in euros at inception rate *(in millions of euros)* | Interests paid Group share *(in millions of euros)* | Issuance costs net of taxes *(in millions of euros)* | Shareholders' equity Group share *(in millions of euros)* |
| 23/01/2014 | USD | 1,750 | - | 1,750 | 1,283 | (1,009) | (8) | 266 |
| 08/04/2014 | GBP | 103 | - | 103 | 125 | (75) | (1) | 49 |
| 19/01/2016 | USD | 1,250 | - | 1,250 | 1,150 | (573) | (8) | 569 |
| 26/02/2019 | USD | 1,250 | - | 1,250 | 1,098 | (233) | (7) | 858 |
| 14/10/2020 | EUR | 750 | - | 750 | 750 | (51) | (5) | 694 |
| 23/06/2021 | GBP | 397 | - | 397 | 482 | (37) | (1) | 444 |
| 04/01/2022 | USD | - | - | 1,250 | 1,102 | (25) | (8) | 1,069 |
| **Crédit Agricole S.A. Issues** | - | - | - | **-** | **5,990** | **(2,003)** | **(38)** | **3,949** |
| **Issues subscribed in-house :** | | | | | | | | |
| Group share / Non controlling interests effect | | - | - | - | - | 54 | - | 54 |
| Issues subscribed by Crédit Agricole CIB for currency regulation | | - | - | - | - | - | - | - |
| **TOTAL** | | **-** | **-** | **-** | **5,990** | **(1,949)** | **(38)** | **4,003** |

The main issues of undated subordinated and deeply subordinated debt classified in shareholder's equity – Non controlling interests share (insurance) are:

| | | | | | At 31 december 2020 | |
|---|---|---|---|---|---|---|
| Issue date | Currency | Amount in currency at 31 december 2021 *(in millions of units)* | Partial repurchases and redemptions *(in millions of units)* | Amount in currency at 30 june 2022 *(in millions of units)* | Amount in euros at inception rate *(in millions of euros)* | Income – Non controlling interests *(in millions of euros)* |
| 10/14/2014 | EUR | 745 | - | 745 | 745 | (236) |
| 1/13/2015 | EUR | 1,000 | - | 1,000 | 1,000 | (298) |
| **Insurance Issues** | - | - | - | - | 1,745 | (534) |
| **TOTAL** | - | - | - | - | **1,745** | **(534)** |

Changes relating to undated subordinated and deeply subordinated debt affecting Shareholders' Equity Group share are as follows:

| *(in millions of euros)* | Equity-Group share | | Non-controlling interests | |
|---|---|---|---|---|
| | 30/06/2022 | 31/12/2021 | 30/06/2022 | 31/12/2021 |
| **Undated deeply subordinated notes** | | | | |
| Interests paid accounted as reserves | (206) | (367) | (9) | (16) |
| Changes in nominal amounts | 1,098 | (1,000) | - | - |
| Income tax savings related to interest paid to security holders recognised in net income | - | 109 | - | - |
| Issuance costs (net of tax) accounted as reserves | (8) | (1) | - | - |
| Other | - | - | - | - |
| **Undated subordinated notes** | | | - | |
| Interests paid accounted as reserves | - | - | (43) | (76) |
| Changes in nominal amounts | - | - | - | - |
| Income tax savings related to interest paid to security holders recognised in net income | 11 | 22 | - | - |
| Issuance costs (net of tax) accounted as reserves | - | - | - | - |
| Other | - | - | - | - |

As undated subordinated and deeply subordinated financial instruments are considered equity instruments issued, the tax effects on the compensation paid are recognised as income tax in the income statement.

## NOTE 7 Financing and guarantee commitments and other guarantees

Financing and guarantee commitments and other guarantees include discontinued operations

### COMMITMENTS GIVEN AND RECEIVED

| *(in thousands of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| ***Commitments given*** | | |
| **Financing commitments** | **235,374** | **226,300** |
| Commitments given to credit institutions | 9,288 | 12,658 |
| Commitments given to customers | 226,086 | 213,642 |
| Confirmed credit lines | 155,444 | 148,900 |
| *Documentary credits* | *5,558* | *6,075* |
| *Other confirmed credit lines* | *149,886* | *142,825* |
| Other commitments given to customers | 70,642 | 64,742 |
| **Guarantee commitments** | **108,146** | **118,015** |
| Credit institutions | 9,629 | 10,596 |
| Confirmed documentary credit lines | 3,968 | 4,461 |
| Other garantees | 5,661 | 6,135 |
| Customers | 98,517 | 107,419 |
| Property guarantees | 5,180 | 5,567 |
| Other customer guarantees | 93,337 | 101,852 |
| **Securities commitments** | **15,614** | **5,022** |
| Securities to be delivered | 15,614 | 5,022 |
| ***Commitments received*** | | |
| **Financing commitments** | **113,331** | **131,491** |
| Commitments received from credit institutions | 109,062 | 127,532 |
| Commitments received from customers | 4,269 | 3,959 |
| **Guarantee commitments** | **454,778** | **430,151** |
| Commitments received from credit institutions | 121,459 | 123,714 |
| Commitments received from customers | 333,319 | 306,437 |
| *Guarantees received from government bodies or similar institutions* | *71,460* | *72,086* |
| *Other guarantees received* | *261,859* | *234,351* |
| **Securities commitments** | **17,023** | **3,710** |
| Securities to be received | 17,023 | 3,710 |

### FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS COLLATERAL

| *(in thousands of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| **Carrying amount of financial assets provided as collateral (including transferred assets)** | | |
| Securities and receivables provided as collateral for the refinancing structures (Banque de France, CRH, etc.) | 397,078 | 413,257 |
| Securities lent | 12,085 | 20,227 |
| Security deposits on market transactions | 25,194 | 18,424 |
| Other security deposits | - | - |
| Securities sold under repurchase agreements | 107,007 | 97,535 |
| **TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL** | **541,364** | **549,443** |
| **Carrying amount of financial assets received in garantee** | | |
| Other security deposits | - | - |
| **Fair value of instruments received as reusable and reused collateral** | | |
| Securities borrowed | 17 | 11 |
| Secutities bought under repurchase agreements | 174,059 | 152,878 |
| Securities sold short | 38,490 | 41,922 |
| **TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL** | **212,566** | **194,811** |

### RECEIVABLES PLEDGED AS COLLATERAL

As at 30 June 2022, Crédit Agricole S.A. has deposited €288.6 billion of receivables (mainly on behalf of the Regional Banks) for refinancing transactions with the Banque de France, compared with €289.6 billion at 30 June 2021.

As at 30 June 2022, Crédit Agricole S.A. has deposited €8.1 billion in receivables for refinancing transactions with the Caisse de Refinancement de l'Habitat on behalf of the Regional Banks, compared with €10.6 billion at 31 December 2021 and €11 billion at 30 June 2021, and €0.6 billion in receivables were deposited directly by LCL.

As at 30 June 2022, €39.2 billion of Regional Bank and €9.8 billion of LCL receivables had been pledged as collateral for the covered bond issues of Crédit Agricole Home Loan SFH, a financial company wholly owned by Crédit Agricole S.A.

As at 30 June 2022, in the context of transactions with EIB/CEB supranationals, Crédit Agricole S.A. has deposited €2.6 billion in receivables on behalf of the Regional Banks.

As at 30 June 2022, in the context of refinancing transactions with CDC, Crédit Agricole S.A. has deposited €2.7 billion in receivables on behalf of the Regional Banks.

### GUARANTEES HELD

Guarantees held and assets received as collateral by the Crédit Agricole Group, which it is allowed to sell or to use as collateral are mostly held within Crédit Agricole S.A. The majority of these are receivables pledged as collateral by the Regional Banks and their main bank subsidiaries to Crédit Agricole S.A., the latter acting as the corporate centre with regard to the external refinancing organisations, in order to obtain refinancing. These receivables (property-related, or loans to businesses or local authorities) are selected and rated for their quality and retained on the balance sheet of the contributing entities.

The majority of these guarantees consist of mortgage liens, collateral or guarantees received, regardless of the quality of the assets guaranteed. They are mainly related to repurchase agreements and securities pledged to guarantee brokerage transactions.

Crédit Agricole Group policy is to sell seized collateral as soon as possible. As at 30 June 2022, Crédit Agricole CIB and Crédit Agricole S.A. held no such collateral.

# NOTE 8 Reclassifications of financial instruments

## PRINCIPLES APPLIED BY THE CRÉDIT AGRICOLE GROUP

Reclassifications are performed only under exceptional circumstances and following a decision by the Executive Management of the entity as a result of internal or external changes: significant changes in the entity's activity.

## RECLASSIFICATION PERFORMED BY THE CRÉDIT AGRICOLE GROUP

In 2022, the Crédit Agricole Group did not carry out any reclassification pursuant to paragraph 4.4.1 of IFRS 9.

# NOTE 9 Fair value of financial instruments and other information

Fair value is the price that would be received at the sale of an asset or paid to transfer a liability in a standard transaction between market participants at the valuation date.

Fair value is defined on the basis of the exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. These are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of assumptions. It is assumed that market participants act in their best economic interest.

To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

The fair value hierarchy of financial assets and liabilities is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13.

Level 1 of the hierarchy applies to the fair value of financial assets and liabilities quoted in active markets.

Level 2 of the hierarchy applies to the fair value of financial assets and liabilities with observable inputs. This agreement includes market data relating to interest rate risk or credit risk when the latter can be revalued based on observable Credit Default Swap (CDS) spreads. Securities bought or sold under repurchase agreements subject of an active market, depending on the underlying and the maturity of the transaction are also included in Level 2 of the hierarchy, as are financial assets and liabilities with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 of the hierarchy indicates the fair value of financial assets and financial liabilities for which there is no observable data or for which some parameters can be remeasured based on internal models that use historical data.

In some cases, market values are close to carrying amounts. These include:

- variable-rate assets or liabilities for which changes in interest rates do not significantly affect fair value since the interest rates for these instruments adjust frequently to market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- instruments executed on a regulated market (e.g. regulated savings) for which the prices are set by the public authorities;
- demand assets and liabilities;
- transactions for which there is no reliable observable data.

## 9.1 Information on financial instruments measured at fair value

### VALUATION MECHANISM

Financial instruments are valued by management information systems and checked by a team that reports to the Risk Management department and is independent from the market operators.

Valuations are based on the following:

- prices or inputs obtained from independent sources and/or validated by the Market risk department using a series of available sources such as market data providers, market consensus and broker data;
- models approved by the quantitative teams in the Market risk department.

The valuation produced for each instrument is a mid-market valuation, which does not take account of the direction of the trade, the bank's aggregate exposure, market liquidity or counterparty quality. Adjustments are then made to the market valuations to incorporate those factors, as well as the potential uncertainties inherent in the models or inputs used.

The main types of valuation adjustments are the following:

**Mark-to-Market adjustments:** these adjustments correct any potential variance between the mid-market valuation of an instrument obtained using internal valuation models and the associated inputs and the valuation obtained from external sources or market consensus data. This adjustment can be either positive or negative;

**Bid/ask reserves**: these adjustments incorporate the bid/ask spread for a given instrument in order to reflect the price at which the position could be reversed. These adjustments are always negative;

**Reserves for uncertainty:** these adjustments constitute a risk premium taken into consideration by any market participant. These adjustments are always negative:

- input uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist as regards one or more of the inputs used;
- model uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist due to the choice of model used.

In addition, in accordance with IFRS 13 "Fair value measurement", Crédit Agricole S.A. prices in to the fair value calculated for its OTC derivatives (i.e. those traded over the counter) various adjustments linked to:

- default risk or credit rating (Credit Valuation Adjustment/Debit Valuation Adjustment)
- future funding costs and benefits (Funding Valuation Adjustment)
- liquidity risk associated with collateral (Liquidity Valuation Adjustment).

**Liquidity Valuation Adjustment (CVA)**

The CVA (Credit Valuation Adjustment) is a Mark-to-Market adjustment to incorporate the market value of the default risk (risk of non-payment of amounts due in the event of default or deterioration in credit quality) in the value of OTC derivatives of our counterparties. This adjustment is calculated per counterparty based on the positive future exposure of the trading portfolio (taking into account any netting or collateral agreements, where such exist) weighted by the probabilities of default and losses given default.

The methodology used maximises the use of market inputs/prices (probabilities of default are derived in priority directly from any existing listed CDS, proxies of listed CDS and other credit instruments where these are deemed sufficiently liquid). This adjustment is always negative and reduces the fair value of the OTC derivative assets held in the portfolio.

**Liquidity Valuation Adjustment (DVA)**

The Debit Valuation Adjustment (DVA) is a mark-to-market adjustment that aims to incorporate the market value of the default risk (potential losses to which Crédit Agricole S.A. may expose its counterparties in the event of default or a deterioration in its creditworthiness) in the value of perfectly collateralised OTC derivatives. This adjustment is calculated by collateral contract type on the basis of negative future exposure profiles of the trading portfolio weighted by default probabilities (Crédit Agricole S.A.) and losses incurred in the event of default.

The methodology used maximises the use of market inputs/prices (use of CASA CDS to determine default probabilities). This adjustment is always positive and reduces the fair value of the OTC derivative liabilities held in the portfolio.

**Liquidity Valuation Adjustment (FVA)**

The Funding Valuation Adjustment (FVA) is a Mark-to-Market adjustment that aims to incorporate the additional future funding costs and benefits based on ALM (Asset & Liability Management) funding costs in the value of not collateralised or imperfectly collateralised OTC derivatives. This adjustment is calculated per counterparty based on the future exposure of the trading portfolio (taking into account any netting or collateral agreements, where such exist) weighted by ALM funding Spreads.

As regards the scope of "cleared" derivatives, an FVA adjustment called IMVA (Initial Margin Value Adjustment) is calculated to take into account the future financing costs and gains of the initial margins to be posted with the main derivatives clearing houses until the portfolio matures.

**Liquidity Valuation Adjustment (LVA)**

The LVA (Liquidity Valuation Adjustment) is the positive or negative valuation adjustment intended to reflect both the potential absence of collateral payments for counterparties with a CSA (Credit Support Annex), as well as the non-standard compensation of CSAs.

Therefore, the LVA reflects the profit or loss resulting from additional liquidity costs. It is calculated on the scope of OTC derivatives with CSAs.

## Breakdown of financial instruments at fair value by valuation model

Amounts presented below include accruals and prepayments and are net of impairment.

### Financial assets measured at fair value

| *(in millions of euros)* | 30/06/2022 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
|---|---|---|---|---|
| **Held for trading financial assets** | **260,068** | **30,696** | **221,254** | **8,118** |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | 667 | - | - | 667 |
| Securities bought under repurchase agreements | 113,120 | - | 110,094 | 3,026 |
| Pledged securities | - | - | - | - |
| Held for trading securities | 33,270 | 30,196 | 2,885 | 189 |
| Derivative instruments | 113,011 | 500 | 108,275 | 4,235 |
| **Other financial instruments at fair value through profit or loss** | **184,605** | **109,998** | **55,600** | **19,007** |
| **Equity instruments at fair value through profit or loss** | **39,582** | **21,420** | **8,558** | **9,604** |
| **Debt instruments that do not meet the conditions of the "SPPI" test** | **73,573** | **39,378** | **25,011** | **9,184** |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | 2,684 | - | 2,658 | 26 |
| Debt securities | 70,889 | 39,378 | 22,353 | 9,158 |
| **Assets backing unit-linked contracts** | **71,369** | **49,200** | **21,950** | **219** |
| Treasury bills and similar securities | 551 | 531 | 20 | - |
| Bonds and other fixed income securities | 3,750 | 363 | 3,387 | - |
| Equities and other variable income securities | 10,646 | 1,800 | 8,845 | 1 |
| Mutual funds | 56,422 | 46,506 | 9,698 | 218 |
| **Financial assets designated at fair value through profit or loss** | **81** | **-** | **81** | **-** |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | - | - | - | - |
| Debt securities | 81 | - | 81 | - |
| **Financial assets at fair value through other comprehensive income** | **235,649** | **208,104** | **26,800** | **745** |
| Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | 4,207 | 238 | 3,477 | 492 |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss | 231,442 | 207,866 | 23,323 | 253 |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | - | - | - | - |
| Debt securities | 231,442 | 207,866 | 23,323 | 253 |
| **Hedging derivative Instruments** | **30,107** | **6** | **30,101** | **-** |
| **TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE** | **710,429** | **348,804** | **333,755** | **27,870** |
| Transfers from Level 1: Quoted prices in active markets for identical instruments | | | 1,234 | 3 |
| Transfers from Level 2: Valuation based on observable data | | 931 | | 371 |
| Transfers from Level 3: Valuation based on unobservable data | | - | 320 | |
| **TOTAL TRANSFERS TO EACH LEVEL** | | **931** | **1,554** | **374** |

Transfers from Level 1 to Level 3 mainly involve trading securities.

Transfers from Level 2 to Level 3 mainly involve trading derivative instruments.

Transfers from Level 3 to Level 2 mainly involve securities bought/sold under repurchase agreements of customers and credit institutions and trading derivative instruments.

Transfers between Level 1 and Level 2 mainly involve Treasury bills, bonds and other fixed-income securities.

| (in millions of euros) | 31/12/2021 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
|---|---|---|---|---|
| **Held for trading financial assets** | **233,031** | **27,610** | **198,726** | **6,695** |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | 820 | - | 1 | 819 |
| Securities bought under repurchase agreements | 110,598 | - | 108,476 | 2,122 |
| Pledged securities | - | - | - | - |
| Held for trading securities | 29,870 | 27,226 | 2,257 | 387 |
| Derivative instruments | 91,743 | 384 | 87,992 | 3,367 |
| **Other financial instruments at fair value through profit or loss** | **200,103** | **124,809** | **58,522** | **16,772** |
| **Equity instruments at fair value through profit or loss** | **41,895** | **25,638** | **7,960** | **8,297** |
| **Debt instruments that do not meet the conditions of the “SPPI” test** | **82,147** | **45,723** | **28,094** | **8,330** |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | 2,942 | - | 2,910 | 32 |
| Debt securities | 79,205 | 45,723 | 25,184 | 8,298 |
| **Assets backing unit-linked contracts** | **75,991** | **53,448** | **22,398** | **145** |
| Treasury bills and similar securities | 486 | 467 | 19 | - |
| Bonds and other fixed income securities | 4,132 | 523 | 3,609 | - |
| Equities and other variable income securities | 11,015 | 2,045 | 8,969 | 1 |
| Mutual funds | 60,358 | 50,413 | 9,801 | 144 |
| **Financial assets designated at fair value through profit or loss** | **70** | **-** | **70** | **-** |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | - | - | - | - |
| Debt securities | 70 | - | 70 | - |
| **Financial assets at fair value through other comprehensive income** | **268,700** | **237,897** | **29,350** | **1,453** |
| Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | 4,128 | 183 | 2,641 | 1,304 |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss | 264,572 | 237,714 | 26,709 | 149 |
| Loans and receivables due from credit institutions | - | - | - | - |
| Loans and receivables due from customers | - | - | - | - |
| *Debt securities* | *264,572* | *237,714* | *26,709* | *149* |
| **Hedging derivative Instruments** | **16,023** | **-** | **16,023** | **-** |
| **Total Financial assets measured at fair value** | **717,857** | **390,316** | **302,621** | **24,920** |
| Transfers from Level 1: Quoted prices in active markets for identical instruments | | | 988 | 88 |
| Transfers from Level 2: Valuation based on observable data | | 1,220 | | 2,236 |
| Transfers from Level 3: Valuation based on unobservable data | | - | 544 | |
| **TOTAL TRANSFERS TO EACH LEVEL** | | **1,220** | **1,532** | **2,324** |

Level 1 to Level 2 transfers mainly involve Treasury bills, bonds and other fixed-income securities for €1,094 million and €988 million.

Level 3 to Level 2 transfers mainly involve securities received under repurchase agreements from credit institutions and customers, debt securities and trading derivative instruments for €718 million.

Transfers from Level 2 to Level 3 mainly involve trading derivative instruments for €36 million.

### Financial liabilities measured at fair value

| *(in millions of euros)* | 30/06/2022 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
|---|---|---|---|---|
| **Held for trading financial liabilities** | **236,155** | **38,435** | **195,137** | **2,583** |
| Securities sold short | 38,507 | 38,402 | 95 | 10 |
| Securities sold under repurchase agreements | 87,439 | - | 86,298 | 1,141 |
| Debt securities | - | - | - | - |
| Due to credit institutions | - | - | - | - |
| Due to customers | - | - | - | - |
| Derivative instruments | 110,209 | 33 | 108,744 | 1,432 |
| **Financial liabilities designated at fair value through profit or loss** | **36,417** | **9,500** | **20,887** | **6,030** |
| **Hedging derivative Instruments** | **28,749** | **-** | **27,922** | **827** |
| **TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE** | **301,321** | **47,935** | **243,946** | **9,440** |
| Transfers from Level 1: Quoted prices in active markets for identical instruments | | | 1 | - |
| Transfers from Level 2: Valuation based on observable data | | 6 | | 377 |
| Transfers from Level 3: Valuation based on unobservable data | | - | 589 | |
| **TOTAL TRANSFERS TO EACH LEVEL** | | **6** | **590** | **377** |

Liability transfers to and from Level 3 mainly involve securities bought/sold under repurchase agreements from credit institutions, trading derivatives and financial liabilities at fair value through profit or loss.

Transfers between Level 1 and Level 2 mainly involve short sales.

| *(in millions of euros)* | 31/12/2021 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
|---|---|---|---|---|
| **Held for trading financial liabilities** | **205,075** | **41,861** | **161,383** | **1,831** |
| Securities sold short | 41,933 | 41,622 | 292 | 19 |
| Securities sold under repurchase agreements | 78,204 | - | 77,504 | 700 |
| Debt securities | - | - | - | - |
| Due to credit institutions | - | - | - | - |
| Due to customers | - | - | - | - |
| Derivative instruments | 84,938 | 239 | 83,587 | 1,112 |
| **Financial liabilities designated at fair value through profit or loss** | **38,480** | **11,227** | **20,354** | **6,899** |
| **Hedging derivative Instruments** | **16,827** | **-** | **16,114** | **713** |
| **TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE** | **260,382** | **53,088** | **197,851** | **9,443** |
| Transfers from Level 1: Quoted prices in active markets for identical instruments | | | 1 | 11 |
| Transfers from Level 2: Valuation based on observable data | | 5 | | 275 |
| Transfers from Level 3: Valuation based on unobservable data | | - | 817 | |
| **TOTAL TRANSFERS TO EACH LEVEL** | | **5** | **818** | **286** |

Liability transfers to and from Level 3 mainly involve securities bought/sold under repurchase agreements from credit institutions, trading derivatives and financial liabilities at fair value through profit or loss.

Transfers between Level 1 and Level 2 mainly involve short sales.

**Financial instruments classified in Level 1**

Level 1 comprises all derivatives quoted in an active market (options, futures, etc.), regardless of their underlying (interest rate, exchange rate, precious metals, major stock indexes), as well as equities and bonds quoted in an active market.

A market is considered as being active if quoted prices are readily and regularly available from exchange, brokers, dealers, pricing services or regulatory agencies, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Corporate, government and agency bonds that are valued on the basis of prices obtained from independent sources, deemed to be enforceable and updated regularly, are classified in Level 1. This represents the bulk of the Sovereign and Agency Bonds and Corporate securities held. Issuers whose bonds are not quoted are classified in Level 3.

**Financial instruments classified in Level 2**

The main financial instruments classified in Level 2 are:

- Liabilities designated at fair value

Financial liabilities designated at fair value are classified in Level 2 when their embedded derivative is deemed to be classified in Level 2.

- Over-the-counter derivatives

The main OTC derivatives classified in Level 2 are those valued using inputs considered to be observable and where the valuation technique does not generate any significant exposure to a model risk.

Level 2 therefore mainly includes:

- linear derivative products such as interest rate swaps, currency swaps and forward FX. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates), or inputs derived from observable market prices (currency swaps);
- non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and Credit Default Swaps, including digital options. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates, share prices) or inputs that can be derived from observable market prices (volatilities);
- The usual mono-underlying exotic products of the voidable swap type and currency baskets on major currencies;

These products are valued using models that are sometimes slightly more complex, but are shared by the market. The material valuation parameters are observable. Prices are observable in the market, notably via broker prices and market consensus where appropriate, to corroborate internal valuations;

- securities, equity options and future shares listed on a market deemed inactive and for which independent valuation data are available;

**Financial instruments classified in Level 3**

Financial instruments classified in Level 3 are those which do not meet the conditions for classification in Level 1 or 2. They are therefore mainly financial instruments with a high model risk whose valuation requires substantial use of unobservable inputs.

The initial margin on all new transactions classified in Level 3 is reserved at the date of initial recognition. It is written back into profit or loss and either spread over the period considered to be unobservable or in full on the date when the inputs become observable.

Level 3 therefore mainly includes:

- Securities

Securities classified in Level 3 mainly include:

  - unlisted shares or bonds for which no independent valuation is available;
  - ABSs for which there are indicative independent valuations, but which are not necessarily executable;

- ABSs, super senior and mezzanine CDO tranches where it cannot be demonstrated that the market is active.

- Liabilities designated at fair value

Financial liabilities designated at fair value are classified in Level 3 when their embedded derivative is deemed to be classified in Level 3.

- Over-the-counter derivatives

Unobservable income includes complex financial instruments that are significantly exposed to model risk or that involve parameters that are considered unobservable.

The aggregate of these principles is mapped for observability according to the three levels indicating for each product, currency and maturity the classification used.

Mainly, the following are classified in Level 3:

- linear rate or foreign exchange products for very long maturities in the case of major currencies, and for lower maturities in the case of emerging currencies; this may include repurchase transactions depending on the maturity of the transactions in question and their underlying assets;
- non-linear rate or foreign exchange products for very long maturities in the case of major currencies, and for lower maturities in the case of emerging currencies;
- the complex derivatives listed below:
  - certain equity derivative products: options on markets that are insufficiently deep, or options with a very long maturity or products the valuation of which depends on non-observable correlations between different underlying shares;
  - certain exotic rate products in which the underlying element is the difference between two interest rates (structured products based on rate differences, or products for which correlations are not observable);
  - certain products for which the underlying element is the future volatility of an index. These products are not considered to be observable because of a significant model risk and a reduced liquidity that does not permit a regular and precise estimation of the valuation parameters;
  - securitisation swaps generating an exposure to the prepayment rate. The prepayment rate is determined on the basis of historical data on similar portfolios;
  - Long-term rate/forex hybrid products of the Power Reverse Dual Currency type, or products for which the underlying is a basket of currencies. The parameters for correlation between the interest rates and the currencies, and between the two interest rates are determined on the basis of an internal methodology based on historical data. Observation of market consensus ensures the overall coherence of the process;
  - multi-underlying products that generate exposures to correlations among several risk classes (rates, credit, foreign exchange, inflation and shares);
  - CDOs based on corporate credit baskets. These are no longer significant.

## 9.2 Net change in financial instruments measured at fair value according to Level 3

**Financial assets measured at fair value according to Level 3**

| | | Held for trading financial assets | | | | | |
|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Total Financial assets measured at fair value according to level 3 | Loans and receivables due from credit institutions | Loans and receivables due from customers | Securities bought under repurchase agreements | Pledged securities | Held for trading securities | Derivative instruments |
| **Closing balance (31/12/2021)** | **24,920** | **-** | **819** | **2,122** | **-** | **387** | **3,367** |
| Gains or losses during the period [1] | **1,183** | - | (12) | (42) | - | (38) | 410 |
| Recognised in profit or loss | ***1,137*** | - | *(9)* | *(33)* | - | *(38)* | *411* |
| Recognised in other comprehensive income | ***46*** | - | *(3)* | *(9)* | - | - | *(1)* |
| Purchases | **4,945** | - | 551 | 1,233 | - | 42 | 330 |
| Sales | **(3,125)** | - | (510) | - | - | (205) | - |
| Issues | **45** | - | - | - | - | - | 45 |
| Settlements | **(264)** | - | (181) | (53) | - | - | (27) |
| Reclassifications | **91** | - | - | - | - | - | - |
| Changes associated with scope during the period | **21** | - | - | - | - | - | - |
| Transfers | **54** | - | - | (234) | - | 3 | 111 |
| Transfers to Level 3 | ***374*** | - | - | - | - | *3* | *185* |
| Transfers from Level 3 | ***(320)*** | - | - | *(234)* | - | - | *(73)* |
| **CLOSING BALANCE (30/06/2022)** | **27,869** | | **667** | **3,026** | | **189** | **4,235** |

| | Other financial instruments at fair value through profit or loss | | | | | | |
|---|---|---|---|---|---|---|---|
| | Equity instruments at fair value through profit or loss | | Debt instruments that do not meet the conditions of the "SPPI" test | | | | |
| *(in millions of euros)* | Equity and other variable income securities | Non-consolidated equity investments | Loans and receivables due from credit institutions | Loans and receivables due from customers | Securities bought under repurchase agreements | Pledged securities | Debt securities |
| **Closing balance (31/12/2021)** | **1,542** | **6,755** | **-** | **32** | **-** | **-** | **8,298** |
| Gains or losses during the period [1] | 64 | 402 | - | (4) | - | - | 346 |
| Recognised in profit or loss | *63* | *396* | - | *(4)* | - | - | *346* |
| Recognised in other comprehensive income | - | 6 | - | - | - | - | - |
| Purchases | 70 | 810 | - | 1 | - | - | 1,450 |
| Sales | (48) | (172) | - | (3) | - | - | (974) |
| Issues | - | - | - | - | - | - | - |
| Settlements | - | - | - | - | - | - | (1) |
| Reclassifications | 5 | 7 | - | - | - | - | - |
| Changes associated with scope during the period | 5 | 28 | - | - | - | - | (12) |
| Transfers | (2) | 138 | - | - | - | - | 51 |
| Transfers to Level 3 | *(2)* | *138* | - | - | - | - | *51* |
| Transfers from Level 3 | - | - | - | - | - | - | - |
| **CLOSING BALANCE (30/06/2022)** | **1,636** | **7,968** | **-** | **26** | | | **9,158** |

| *(in millions of euros)* | Other financial instruments at fair value through profit or loss | | | | | | |
|---|---|---|---|---|---|---|---|
| | Assets backing unit-linked contracts | | | | Financial assets designated at fair value through profit or loss | | |
| | **Treasury bills and similar securities** | **Bonds and other fixed income securities** | **Equities and other variable income securities** | **Mutual funds** | **Loans and receivables due from credit institutions** | **Loans and receivables due from customers** | **Debt securities** |
| **Closing balance (31/12/2021)** | **-** | - | **1** | **144** | **-** | **-** | **-** |
| Gains or losses during the period [1] | - | - | - | 3 | - | - | - |
| Recognised in profit or loss | - | - | - | *3* | - | - | - |
| Recognised in other comprehensive income | - | - | - | - | - | - | - |
| Purchases | - | - | - | 71 | - | - | 9 |
| Sales | - | - | - | - | - | - | (7) |
| Issues | - | - | - | - | - | - | - |
| Settlements | - | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - | 9 |
| Changes associated with scope during the period | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | (11) |
| Transfers to Level 3 | - | - | - | - | - | - | - |
| Transfers from Level 3 | - | - | - | - | - | - | *(11)* |
| **CLOSING BALANCE (30/06/2022)** | **-** | **-** | **1** | **218** | **-** | **-** | **-** |

| *(in millions of euros)* | Financial assets at fair value through other comprehensive income | | | | |
|---|---|---|---|---|---|
| | **Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss** | **Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss** | | | |
| | | **Loans and receivables due from credit institutions** | **Loans and receivables due from customers** | **Debt securities** | **Hedging derivative instruments** |
| **Closing balance (31/12/2021)** | **1 304** | **-** | **-** | **148** | **-** |
| Gains or losses during the period [1] | 53 | - | - | 1 | - |
| Recognised in profit or loss | - | - | - | *1* | - |
| Recognised in other comprehensive income | *53* | - | - | - | - |
| Purchases | 17 | - | - | 362 | - |
| Sales | (949) | - | - | (257) | - |
| Issues | - | - | - | - | - |
| Settlements | (1) | - | - | (1) | - |
| Reclassifications | 69 | - | - | - | - |
| Changes associated with scope during the period | - | - | - | - | - |
| Transfers | (2) | - | - | - | - |
| Transfers to Level 3 | - | - | - | - | - |
| Transfers from Level 3 | *(2)* | - | - | - | - |
| **CLOSING BALANCE (30/06/2022)** | **492** | | | **253** | **-** |

[1] This balance includes the gains and losses of the period made on assets reported on the balance sheet at the closing date, for the following amounts:

| | |
|---|---|
| *Gains/ losses for the period from level 3 assets held at the end of the period* | **1,046** |
| Recognised in profit or loss | 1,025 |
| Recognised in other comprehensive income | 21 |

**Financial liabilities measured at fair value according to Level 3**

| *(in millions of euros)* | Total | Held for trading financial liabilities | | | | | | Financial liabilities designated at fair value through profit or loss | Hedging derivative instruments |
|---|---|---|---|---|---|---|---|---|---|
| | | Securities sold short | Securities sold under repurchase agreements | Debt securities | Due to credit institutions | Due to customers | Derivative Instruments | | |
| **Closing balance (31/12/2021)** | **9,443** | **19** | **700** | **-** | **-** | **-** | **1,112** | **6,899** | **713** |
| Gains or losses during the period [1] | **(850)** | (1) | (248) | - | - | - | 192 | (957) | 164 |
| Recognised in profit or loss | ***(854)*** | *(1)* | *(248)* | - | - | - | *188* | *(957)* | *164* |
| Recognised in other comprehensive income | ***4*** | - | - | - | - | - | *4* | - | - |
| Purchases | **1,130** | - | 939 | - | - | - | 171 | 20 | - |
| Sales | **(9)** | (9) | - | - | - | - | - | - | - |
| Issues | **833** | 1 | - | - | - | - | 22 | 810 | - |
| Settlements | **(895)** | - | - | - | - | - | (41) | (804) | (50) |
| Reclassifications | **-** | - | - | - | - | - | - | - | - |
| Changes associated with scope during the period | **-** | - | - | - | - | - | - | - | - |
| Transfers | **(212)** | - | (250) | - | - | - | (24) | 62 | - |
| Transfers to Level 3 | ***377*** | - | - | - | - | - | *36* | *341* | - |
| Transfers from Level 3 | ***(589)*** | - | *(250)* | - | - | - | *(60)* | *(279)* | - |
| **CLOSING BALANCE (30/06/2022)** | **9,440** | **10** | **1,141** | **-** | **-** | **-** | **1,432** | **6,030** | **827** |

[1] This balance includes the gains and losses of the period made on liabilities reported on the balance sheet at the closing date, for the following amounts:

| | |
|---|---|
| *Gains/ losses for the period from level 3 assets held at the end of the period* | **(853)** |
| Recognised in profit or loss | (853) |
| Recognised in other comprehensive income | - |

Gains and losses recognised in profit or loss relating to financial instruments held for trading and designated at fair value through profit or loss and derivative instruments are recognised in "Net gains (losses) on financial instruments at fair value through profit or loss"; gains and losses recognised in profit or loss relating to financial assets at fair value through equity are recognised in "Net gains (losses) on financial instruments at fair value through profit or loss through equity".

## 9.3 Assessment of the impact of inclusion of the margin at inception

| *(in millions of euros)* | 30/06/2022 | 31/12/2021 |
|---|---|---|
| **Deferred margin at beginning of period** | **185** | **138** |
| Margin generated by new transactions during the period | 101 | 124 |
| Margin recognised in net income during the period | (56) | (77) |
| **Deferred margin at end of period** | **230** | **185** |

The 1st day margin on market transactions falling within Level 3 of fair value is reserved on the balance sheet and recognised in profit or loss as time passes or when unobservable parameters become observable again.

## 9.4 Benchmark index reforms

In early 2019 the Crédit Agricole Group introduced a programme to prepare for and manage the benchmark transition for all its activities, with specific plans for each entity concerned. The programme was in line with the timetable and standards defined by the market – including some in which Crédit Agricole was actively involved – and the European regulatory framework (BMR).

Ahead of the discontinuation of the benchmarks, and as recommended by national working groups and the authorities, the Group has whenever possible made the switch to alternative indexes ahead of time, while aiming to comply with the deadlines set by the market or imposed by the authorities, along with the incentive milestones, to the extent possible. Substantial capital expenditure and a major effort on the part of the support teams and business lines have been required to adapt tools and resources and cope with the workload resulting from the transitions, including the work of amending contracts. Note that the development of new software was largely dictated by the timetable for determining alternative indexes to LIBOR and the emergence of market standards.

**Balance sheet at 30/06/2022 of recent transitions and changes:**

The array of measures implemented since 2019 have meant that these transitions have been orderly and controlled. The work carried out also meant that Group entities could manage new product offerings referencing Risk Free Rates (RFR).

At the Crédit Agricole Group level, there were very few contracts benchmarked to EONIA or the LIBOR, CHF, EUR, GBP or JPY that could not be renegotiated before 31 December 2021 or switched to an alternative index by activating the fall-back clause. The number of contracts currently in renegotiations to replace the benchmark index is now insignificant at the scale of the entities concerned, a fortiori at the level of the Crédit Agricole Group. Moreover, the synthetic LIBOR rates are used by the Group only for rare contracts.

**Risk management:**

In addition to preparing for and implementing the replacement of the benchmarks that are being discontinued or will no longer be representative at 31 December 2021, and to comply with BMR regulations, the project's work also focused on managing and controlling the risks inherent in benchmark transitions, particularly the financial, operational, legal, compliance and customer protection aspects (conduct risk prevention).

**USD LIBOR:**

The work of the transition programme will continue in 2022, notably to prepare for the cessation of publication of USD LIBOR or its non-representativeness in June 2023. The situation mainly affects the CACIB investment bank, since it is the Group entity most exposed to this index. At this stage, the transitions of the inventories of contracts have not begun. It is anticipated that the transitions will be made as from H1 2023 for derivatives and at end-June 2023 for non-offset derivatives covered by the ISDA protocol. The implementation of a legislative mechanism may be subsequently confirmed by the UK authorities given that the US authorities have already validated the designation of statutory replacement rates for the USD LIBOR for American contracts.

In order to ensure that the hedge accounting relationships affected by this benchmark reform can be maintained despite the uncertainties over the timetable and terms of transition between the current interest rate indexes and the new indexes, the IASB published amendments to IAS 39, IFRS 9 and IFRS 7 in September 2019, which were adopted by the European Union on 15 January 2020. The Group applies these amendments as long as uncertainties about the benchmarks will concern the timings and amounts of interest rate benchmark-based cash flows and considers, in this respect, that all its hedging contracts, related to the indexes in question are eligible for hedge accounting.

Other amendments, published by the IASB in August 2020, supplement those published in 2019 and focus on the accounting consequences of replacing the former reference interest rates with other reference rates following the reforms. These amendments, known as "Phase 2", mainly are changes in contractual cash flows. They allow entities not to de-recognise or adjust the carrying amount of financial instruments to reflect the changes required by the reform, but rather to update the effective interest rate to reflect the change in the alternative reference rate.

With regard to hedge accounting, entities will not have to de-designate their hedging relationships when making the changes required by the reform, subject to economic equivalence.

At 30 June 2022, the breakdown by significant benchmark index of instruments, based on the old benchmark rates and which must move to the new rates before maturity, is as follows:

| *In millions of euros* | LIBOR USD | Other LIBOR: GBP, JPY, EUR and CHF | Others |
|---|---|---|---|
| Total non-dervative assets | 30,962 | 29 | 2,708 |
| Total non-dervative liabilities | 1,242 | 1 | 2,005 |
| Total notional amount of derivatives | 2,622,931 | 24 | 664 |

The outstanding amounts using the USD LIBOR that are being carried forward are those with a maturity date after 30/06/2023, which is the date on which the overnight, 1-month, 3-month, 6-month and 12-month tenors will be discontinued or will no longer be representative.

For non-derivative financial instruments, the exposures correspond to the nominal value of the securities and the outstanding capital of depreciable instruments.

# NOTE 10 Related parties

The related parties of the Crédit Agricole Group are the consolidated companies, including equity-accounted entities, the Group's Senior Executives and the Regional Banks, given the Group's legal structure and due to the fact that Crédit Agricole S.A. is the corporate centre of the Crédit Agricole network.

## OTHER SHAREHOLDERS' AGREEMENTS

Shareholder agreements signed during the financial year are detailed in Note 2 "Major structural transactions and material events during the period".

## RELATIONSHIPS BETWEEN CONTROLLED COMPANIES AFFECTING THE CONSOLIDATED BALANCE SHEET

Since, at year-end, the existing transactions and outstandings between the Group's fully consolidated companies are eliminated on consolidation, only transactions with companies consolidated by the equity method affect the Group's consolidated financial statements.

The main corresponding outstandings and commitments in the consolidated balance sheet at 30 June 2022 relate to transactions with the equity-accounted entities for the following amounts:

- loans and receivables due from credit institutions: €3,343 million (€2,249 million at 31 December 2021);
- loans and receivables due from customers: €2,961 million (€3,251 million at 31 December 2021);
- debt due to credit institutions: €1,427 million (€916 million at 31 December 2021);
- debt due to customers: €278 million (€153 million at 31 December 2021);
- commitments given on financial instruments: €7,488 million (€7,997 million at 31 December 2021);
- commitments received on financial instruments: €5,666 million (€4,919 million at 31 December 2021).

The transactions entered into with these entities did not have a material effect on the income statement for the period.

# NOTE 11 Events after 30 June 2022

## 1.1 Disposal of La Médicale de France

La Médicale de France is a wholly-owned subsidiary of Crédit Agricole S.A. The shares of this company are wholly owned by Crédit Agricole Assurances, which in turn is 100% controlled by Crédit Agricole S.A.

In November 2021, the executive management of Crédit Agricole S.A. and Crédit Agricole Assurances entered into exclusive negotiations with the Generali Group over the sale of the La Médicale de France entity. These negotiations resulted in the signing of a Master Agreement on 24 November 2021.

The assets and liabilities of La Médicale de France have thus been reclassified under IFRS 5 in the consolidated financial statements of the Crédit Agricole Group as at 31 December 2021.

The completion of this disposal, which was approved by the regulatory and competition authorities on 24 March 2022, was finalised on 1 July 2022.

The disposal of La Médicale de France had no material impact on the consolidated financial statements of the Crédit Agricole Group.