AMENDMENT to the universal registration document

2022

Financial review at 30 June 2023

CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

CONTENTS

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This Amendment to the Universal Registration Document has been filed on 11 August 2023 with AMF, as competent authority under Regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

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

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

1

CONTENTS

ACTIVITY REPORT FOR THE FIRST HALF OF 2023

1. CRÉDIT AGRICOLE CIB GROUP'S BUSINESS REVIEW AND FINANCIAL INFORMATION

1.1. Economic and financial environment

First half 2023

In the first half of the year, inflation in the major developed economies continued to fall, while still remaining high (especially core inflation), and monetary tightening continued. The momentum of the post-Covid recovery continued to ease off and growth rates dipped. Drastic recessions were avoided particularly because of the buffers left over from the pandemic, namely private savings which, although diminishing, were still abundant, and labour markets which had proved fairly resilient.

Value chains, congested at the end of the Covid pandemic due to demand very quickly outpaced supply, and commodity markets, disrupted by the war in Ukraine, gradually returned to normal. Energy, manufacturing and food commodity prices fell, as did transport costs. At end-June 2023, for example, prices of oil, iron ore, wheat and sea freight were down year-on-year by close to 34%, 7%, 21% and 50% respectively. This upstream disinflation led to a rapid and largely automatic fall in headline inflation.

In the United States, year-on-year price inflation fell to 6.4% in December and then to 3% in June, having peaked at 9% in June 2022. Meanwhile, core inflation remained high at 4.8% in June, after peaking at 6.5% in March 2022. In the Eurozone, after peaking at 10.6% in October 2022, inflation ticked down to 9.2% in December and then 5.5% in June. After peaking at 5.7% in March 2023, core inflation has been falling only very slowly (5.4% in June). Although a wage-price spiral cannot be blamed for this, despite a buoyant labour market, core inflation has been resistant. This is because increases in upstream costs have been spread across all prices and the increased consumption of services has taken over from the consumption of goods.

Although growth in the **United States** has continued to be revised upwards, it regressed slightly (annualised quarterly rate of 2% in the first quarter, versus 2.6% and 3.2% in the fourth and third quarters of 2022 respectively). In contrast to brisk consumption (growth of 4.2% in the quarter, and contribution to growth of 2.8 percentage points, or pp), productive investment turned in a mediocre performance (virtually zero contribution) and residential investment continued to contract (-4%, down for the eighth consecutive quarter, which is a cumulative drop of 22% between first quarter 2021 and first quarter 2023). Inventory changes were the main drag on growth in the first quarter with a contribution of -2.1 pp. This was due to major destocking and a slowdown in investment. Although corporate profits fell sharply for the second consecutive quarter, the financial position of households improved: after seven consecutive quarters of reduced purchasing power, real disposable income grew by 2.9%. The savings rate (4.3%) recovered slightly, but has remained below its pre-Covid average (7.9%, 2017–2019) since mid-2021. For its part, the labour market has held up well: since March 2022, the unemployment rate has hovered between 3.4% and 3.7% and stood at 3.6% in June.

There was also a marked slowdown in the **Eurozone:** GDP growth (year-on-year) fell from 1.8% in the fourth quarter of 2022 to 1% in first quarter of 2023. Business activity subsequently fell again by 0.1% (quarter-on-quarter), dragged down by growth in Germany (-0.3%), which also recorded two consecutive quarters of decline. Although domestic demand once again made a negative contribution to growth (-0.3 point), this was modest compared to the previous quarter (-1.2 point). With inflation easing from its peak in the fourth quarter of 2022, household consumption fell for the second consecutive quarter (-0.3%), even though this was less than in the previous quarter (-1%). Investment picked up (+0.6%, following -3.5%), but growth remained modest. Foreign trade's positive contribution to growth was once again due to a sharper fall in imports than exports.

As suggested by a number of indicators, the period of sustained expansion was therefore coming to an end, particularly in the manufacturing sector. That said, the reduction of business in this sector has not yet translated into an increase in corporate failures. These have remained relatively few across the economy as a whole. The unemployment rate of 6.5% in May 2023 showed little change from one month earlier but was down slightly from one year earlier (6.7% in May 2022).

In **France**, after an abrupt slowdown in the second half of 2022, growth proved resilient, remaining positive at the start of the year (0.2% in first quarter 2023). However, this apparent robustness masked the weakness of domestic demand. While foreign trade continued to drive growth, household consumption failed to rebound in the first quarter. After contracting in the fourth quarter of 2022, it was only stable in the first quarter of 2023 and remains below its pre-pandemic level. Goods consumption fell sharply, impacted most notably by food consumption (year-on-year food inflation was still 13.7% in June, after having reached 15.9% in March). Household investment was also down sharply for the third consecutive quarter. Lastly, monetary tightening began having an impact on investment by non-financial companies; this declined for the first time since the third quarter of 2021.

Since the beginning of 2022, central banks have been prioritising the fight against inflation. Both the Federal Reserve and the ECB have steadfastly introduced aggressive policies to raise key interest rates. Since March 2022 in the United States and July 2022 in the Eurozone, interest rates have risen by 500 and 400 basis points (bp) respectively to stand at 5.25% (Federal Funds Rate Upper Limit) and 4% (refinancing rate) at the beginning of July 2023.

Alongside this monetary tightening, short maturities of the yield curve (two-year swap rates or sovereign rates) rallied sharply. On the other hand, yields on long maturities (ten-year rates) had less of a "climb". This was due to the nature of inflation – considered more of a shock than an ongoing, steady increase – fears of a slowdown and central banks' determination to get inflation down to their targets. **Interest rate curves have therefore inverted.** Equity markets performed particularly well at the beginning of the year, based on the view that there would be a vigorous recovery in China after it abandoned its zero-Covid policy and an imminent pivot in monetary policy (imminent end to the hike in key interest rates rapidly followed by a reduction).

However, these movements were briefly interrupted in March when US monetary tightening claimed its first banking victims in the US (the most notable being the collapse of Silicon Valley Bank)[1] followed by a carbon copy in Europe caused by the vicissitudes of Credit Suisse. These two events brought the issue of financial stability back to the fore and triggered a temporary upturn in risk aversion (fall in equities and "risk-free" sovereign rates, wider credit spreads) and expectations of rapid monetary easing. Central banks nevertheless reaffirmed their commitment to fighting inflation and to dealing with the sources of financial instability using ad hoc measures. The Fed unveiled a new instrument of monetary policy to help banks meet potential liquidity requirements[2]. It then continued its monetary tightening, as did the ECB. After a turbulent March, the markets calmed down again.

At 30 June 2023, US two- and ten-year sovereign yields stood at 5.0% and 3.9%, a year-on-year rise of around 200 bp and 80 bp respectively (+50 bp and -2 bp in the first half of 2023). German two- and ten-year sovereign yields were 3.2% and 2.4%, a year-on-year rise of 270 bp and 100 bp respectively (+50 bp and -20 bp in the first half of the year). Despite the end of the ECB's bond purchase programme under the APP (Asset Purchase Programme) and major TLTRO maturities at the end of June, the risk premiums paid by non-core and semi-core countries remained close, contrary to what some may have feared. At 30 June, French and Italian spreads stood at approximately 55 bp and 170 bp respectively against the Bund (declines of around 5 bp and 35 bp respectively since the start of the year). In addition, equity markets posted strong gains: the S&P 500, Eurostoxx 50 and CAC 40 indexes rose by 16%, 14% and 12% respectively during the first half of the year. Over the same period, the euro (at 1.09 against the dollar) appreciated by 2.2%.

(1) A regional bank specialised in financing tech start-ups and companies, sectors that have experienced difficulties in raising funds in a context of monetary tightening and that consume high levels of cash. To cope with its customers' withdrawals, SVB had to sell $21 billion of US bonds and registered a loss of $1.8 billion due to the bonds having lost their value on the secondary market on account of the rise in interest rates. Poorly capitalised and coping with potential capital losses on its securities portfolio, SVB launched a capital increase that failed. This led to a bank run (mass withdrawals from its customers) that the bank was unable to withstand, precipitating its bankruptcy. Furthermore, due to its relatively small size, the bank had benefited from more relaxed banking regulations sanctioned by the Trump administration. As a result, the bank's potential losses and low capitalisation had not been detected upstream.

(2) Loans of up to one year in length against collateral (such as US Treasuries) valued at par rather than market value. This eliminates the risk of unrealised losses that can occur very suddenly when a bank is forced to sell assets (as was the case with SVB).

1.2. Condensed consolidated income statement

▶ First half-year 2023

€ million	Under-lying CIB [1]	Non-recurring	Stated CIB	Wealth Manage-ment	Corporate Center	CACIB	Under-lying CIB Change H1-23/ H1-22	Under-lying CIB Change H1-23/ H1-22 at constant rate
Net banking income	**3,353**	**(47)**	**3,306**	**522**	**0**	**3,828**	**+12%**	**+12%**
Operating expenses excluding SRF	(1,649)	0	(1,649)	(396)	(4)	(2,049)	+15%	+16%
SRF	(271)	0	(271)	(3)	0	(274)	-30%	-30%
Gross Operating Income	**1,433**	**(47)**	**1,386**	**123**	**(4)**	**1,505**	**+21%**	**+20%**
Cost of risk	(67)		(67)	1		(66)	-67%	
Share of net income of equity-accounted entities	(0)		(0)			(0)	ns	
Gain/losses on other assets	0		0	(0)		0	ns	
Pre-tax income	**1,366**	**(47)**	**1,319**	**124**	**(4)**	**1,439**	**+40%**	**+37%**
Corporate income tax	(342)	12	(330)	(27)	57	(300)	+42%	
Net income from discontinued or held-for-sale operations				1		1	ns	
Net income	**1,024**	**(35)**	**989**	**98**	**53**	**1,140**	**+39%**	**+36%**
Non-controlling interests	(0)		(0)	10		10	-6%	
Net income, Group Share	**1,024**	**(35)**	**989**	**88**	**53**	**1,130**	**+39%**	**+36%**
Operating coefficient (excluding SRF)	**49.2%**		**49.9%**					

1 Restated in net banking income for the impact of loan hedges of -€25 million, the impact of the DVA of +€2 million, the FVA-related liquidity cost of -€20 million and secured lending of -€5 million in the first half of 2023.

▶ First half-year 2022

€ million	Underlying CIB [1]	Non-recurring	Stated CIB	Wealth Management	Corporate Center	CACIB
Net banking income	**3,006**	**65**	**3,071**	**445**	**(6)**	**3,511**
Operating expenses excluding SRF	(1,440)	0	(1,440)	(370)	(5)	(1,814)
SRF	(384)	0	(384)	(3)	0	(387)
Gross Operating Income	**1,182**	**65**	**1,247**	**73**	**(11)**	**1,310**
Cost of risk	(202)	-	(202)	3	-	(200)
Share of net income of equity-accounted entities	(0)	-	(0)	-	-	(0)
Gain/losses on other assets	(1)	-	(1)	(1)	-	(2)
Pre-tax income	**979**	**65**	**1,044**	**74**	**(11)**	**1,108**
Corporate income tax	(240)	(17)	(257)	(15)	33	(240)
Net income from discontinued or held-for-sale operations	-	-	-	1	-	1
Net income	**739**	**48**	**787**	**60**	**23**	**870**
Non-controlling interests	(0)	(0)	(0)	4	0	4
Net income, Group Share	**739**	**48**	**787**	**56**	**23**	**866**
Operating coefficient (excluding SRF)	**47.9%**		**46.9%**			

1 Restated in net banking income for the impact of loan hedges of +€73 million, the impact of the DVA of +€12 million, the FVA-related liquidity cost of -€27 million and secured lending of +€6 million in the first half of 2022.

CIB's underlying revenues was €3,353 million in the first half of 2023, up +12% compared to the first half of 2022. The increase in revenues stemmed from very strong performances of Capital Markets (+16%) and Financing Activities (+7%). Crédit Agricole CIB strengthens its leadership positions this half year: #1 - Syndicated loans in France(1), #2 - Syndicated loans in EMEA(2), #2 - All Bonds in EUR Worldwide(3), #3 - Project finance loans worldwide(4) and #2 - Green, Social & Sustainable bonds in EUR(5) reflecting continued efforts to strengthen customer relations.

(1) Source: Refinitiv N8
(2) Source: Refinitiv R17
(3) Source: Refinitiv N1
(4) Source: Refinitiv
(5) Source: Bloomberg

Operating expenses amounted to -€1,920 million in the first half of 2023, up +5% at current rate (+6% at constant rate). They included a contribution to the Single Resolution Fund (SRF) of -€271 million, which decreased by -30% compared to 2022. Excluding this contribution, operating expenses rose +15% (+16% at constant rate), due to IT and human investments to support of businesses' development.

Thus, excluding SRF, the underlying CIB cost/income ratio came out at 49.2% in the first half of 2023, compared to 47.9% in the first half of 2022. Gross operating income stood at €1,433 million, compared with €1,182 million in first half of 2022, up +21%.

CIB's cost of risk was down significantly (net allocation of -€67 million in the first half of 2023 versus -€202 million in the first half of 2022). In the first half of 2022, it included provisions related to the Russia-Ukraine conflict, partially offset by reversals of provisions for legal risk.

In overall terms, CIB's underlying net income Group share amounted to €1,024 million in the first half of 2023, up +39% compared to the first half of 2022 (€739 million).

1.3. Results by business line

Financing activities

€ million	Underlying H1-23[1]	Underlying H1-22[1]	Change H1-23/ H1-22
Net banking income	**1,615**	**1,506**	**+7%**
Operating expenses excluding SRF	(692)	(599)	+15%
SRF	(94)	(138)	-32%
Gross Operating Income	**829**	**769**	**+8%**
Cost of risk	(96)	(210)	-54%
Share of net income of equity-accounted entities	(0)	(0)	+34%
Gain/losses on other assets	0	(1)	ns
Pre-tax income	**734**	**558**	**+31%**
Corporate income tax	(198)	(126)	+56%
Net income	**536**	**432**	**+24%**
Non-controlling interests	(1)	(1)	-10%
Net income, Group Share	**537**	**433**	**+24%**

[1] Restated in net banking income for the impact of loan hedges of respectively -€25 million in the first half of 2023 and +€73 million in the first half of 2022.

Financing activities posted underlying revenues of €1,615 million in the first half of 2023, up +7%. This very good performance was driven by structured finance activities, which recorded strong growth (+16% to €601 million), with an increase in revenues for all product lines, particularly in the shipping, real estate, infrastructure and electricity sectors.

Commercial Banking also achieved a good level of revenues (+3% to €1,015 million). International Trade and Transaction Banking (ITB) revenues increased in the first half of 2023 driven by the Cash Management business in a context of rising interest rates. Corporate & Leveraged Finance activities were down compared to the first half of 2022 marked by a very high level of activity, despite the historical performance of the Telecom sector in the first quarter of 2023.

The contribution of Financing activities to net income Group share amounted to €537 million in 2022, up +24% compared to the first half of 2022 which was impacted negatively by cost of risk allocations mainly related to the Russia-Ukraine conflict.

Capital markets and investment banking

€ million	Underlying H1-23[1]	Underlying H1-22[1]	Change H1-23/ H1-22
Net banking income	**1,738**	**1,500**	**+16%**
Operating expenses excluding SRF	(957)	(840)	+14%
SRF	(177)	(246)	-28%
Gross Operating Income	**604**	**414**	**+46%**
Cost of risk	29	7	x 3,9
Share of net income of equity-accounted entities	-	-	-
Gain/losses on other assets	-	0	ns
Pre-tax income	**632**	**421**	**+50%**
Corporate income tax	(145)	(114)	+27%
Net income	**488**	**307**	**+59%**
Non-controlling interest	0	0	-19%
Net income, Group Share	**488**	**307**	**+59%**

[1] Restated in net banking income for the impact of the DVA of +€2 million in the first half of 2023 (versus +€12 million in the first half of 2022), the FVA-related liquidity cost of -€20 million (versus -€27 million in the first half of 2022) and secured lending of -€5 million (versus +€6 million in the first half of 2022).

Underlying revenues from Capital Markets and Investment Banking came out at €1,738 million in the first half of 2023, up +16% compared to the first half of 2022.

- Fixed Income activities (at €1,487 million, i.e. +20% compared to the first half of 2022) posted a very good performance driven by Primary Credit, Securitization activities benefiting from the rising Interest rates, Repos activities benefiting from the lack of liquidity and the widening of credit spreads, and in general by the good performance of other product lines (hedging and investment products).
- Investment Banking and Equity posted a decline in revenues (to €250 million, i.e. -6% compared to the first half of 2022), impacted by impacted by an unfavourable context in the historically weak M&A market since the beginning of 2023.

Capital Markets and Investment Banking contributed for €488 million to net income Group share, up +59% compared to the first half of 2022.

Wealth Management

€ million	H1-23	H1-22	Change H1-23/ H1-22
Net banking income	**522**	**445**	**+17%**
Operating expenses excluding SRF	(396)	(370)	+7%
SRF	(3)	(3)	+3%
Gross Operating Income	**123**	**73**	**+70%**
Cost of risk	1	3	-78%
Gain/losses on other assets	(0)	(1)	x-1.0
Impairment of goodwill		0	ns
Pre-tax income	**124**	**74**	**+67%**
Corporate income tax	(27)	(15)	+76%
Net income from discontinued or held-for-sale operations	1	1	-21%
Net income	**98**	**60**	**+63%**
Non-controlling interests	10	4	x 2.3
Net income, Group Share	**88**	**56**	**+57%**

The Wealth Management business line delivered very solid results in the first half of 2023, at €88 million (+57% compared to the first half of 2022).

Revenues amounted to €522 million, up +17%. This sharp increase is underpinned by a very good level of the interest margin.

Operating expenses, at €399 million, were up +7% in the first half of 2023 compared to the first half of 2022, mainly due to inflation effects and staff costs.

Gross operating income was therefore up +70% compared with the first half of 2022. Cost of risk recorded a net reversal of €1 million (versus €3 million in the first half of 2022).

At end-June 2023, assets under management amounted to €132.7 billion, up +€2.8 billion (+2.1%) compared to end-December 2022 mainly due to market effects.

Corporate Centre

€ million	Under-lying H1-23	Under-lying H1-22	Change H1-23/ H1-22
Net banking income	**0**	**(6)**	**ns**
Operating expenses excluding SRF	(4)	(5)	-12%
SRF	0	-	ns
Gross Operating Income	**(4)**	**(11)**	**-63%**
Cost of risk		0	ns
Gain/losses on other assets		0	ns
Pre-tax income	**(4)**	**(11)**	**-63%**
Corporate income tax	57	33	+72%
Net income	**53**	**23**	**x 2.4**
Non-controlling interests		0	ns
Net income, Group Share	**53**	**23**	**x 2.4**

The "Corporate Centre" division integrates the various impacts not attributable to the other business lines.

In the first half of 2023, impact on net banking income is almost at zero (in the first half of 2022, -€6 million of net banking income related to TLTRO impact). Operating expenses excluding SRF totalled -€4 million in the first half of 2023 mainly related to the Jakarta project. Tax income amounted to +€57 million, related to coupons on AT1 instruments.

2. RELATED PARTIES TRANSACTION

The main transactions entered into with related parties are described in the general framework to the interim condensed consolidated statements at 30 June 2023.

3. RECENT TRENDS AND OUTLOOK

2023 Outlook

With the labour market holding up well and savings still abundant, albeit diminishing, household consumption absorbed the drain on spending power and monetary tightening better than feared. Growth held up better than expected, as did core inflation.

Business activity is nevertheless decelerating, as indicated by surveys suggesting a widespread global slowdown. Developing a scenario of deceleration without collapse presupposes a slow decline in inflation easing revenues and putting an end to key rate hikes.

In the **United States**, cracks are beginning to appear and are getting wider as the repressive effects of monetary and financial tightening are being felt. Residential investment has already been significantly curtailed, and productive investment is likely to contract in turn. Consumers, who had been shoring up growth, have been dipping into savings and resorting to credit, and could be less confident and less extravagant going forwards. While better-than-expected employment figures may provide a softer landing, the risk of a recession will still loom in the second half of the year. A moderate recession would lead to average growth of 1.2% in 2023 and then just 0.7% in 2024. This ultimately natural slowdown is based on the assumption that headline inflation and especially core inflation will continue to decline, ending 2023 at around 3.2% and 3.6% respectively, before both approaching 2.5% at the end of 2024. The risk to this scenario is that inflation will be more persistent than predicted and lead to a monetary scenario that is more aggressive than anticipated.

Far from the hoped-for recovery, **China** is struggling to regain its momentum. A profound confidence crisis among households (fear of unemployment, precautionary savings) together with unresolved turbulence in the property market continues to dampen domestic demand. This translates into inflation so low as to threaten deflation. The Chinese authorities cannot ignore the fact that the recovery is not living up to its promises, but they lack the appropriate tools to stimulate consumption. The annual growth target cautiously announced by the authorities of "around 5%" should be achieved (favourable base effects) but there are doubts about China's ability to maintain this pace.

In the **Eurozone**, the scenario assumes modest growth of 0.6% in 2023 and 1.3% in 2024 – still below its potential rate – based on average headline inflation falling from 8.4% in 2022 to 5.5% in 2023 and 2.9% in 2024. **The (actual and forecast) fall in the growth rate is fairly drastic: rather than heralding a recession, it "normalises" behaviours.**

The factors underpinning this normalisation scenario remain. Corporate failures are still relatively few and limited to specific sectors (hospitality, transport and logistics); the labour market is holding up well; corporate profits are "acceptable", with businesses having, in certain sectors, restored their margins thanks to the rise in prices. In addition, the expected decline in inflation should limit the extent to which business activity is weakened: consumption should benefit from the improvement in real income as well as excess savings available to the wealthiest households, even though a large portion of this surplus has already been turned into non-liquid property and financial assets. Meanwhile, non-housing investment is expected to remain steady thanks to the decline in the cost of intermediate goods and strong support from European funds. **Most factors, however, are threats:** there are fears of tighter credit conditions (which could shift growth normalisation towards a sharper correction) and an anticipated margin squeeze.

Unlike some European countries, **France** was able to avoid a technical recession at the beginning of the year. However, growth drivers are "seizing up". Household consumption has already fallen as a result of inflation. Furthermore, the rise in interest rates designed to counter inflation is weighing on household investment and will contribute to the slowdown in investment on the part of non-financial companies. Growth is expected to decline sharply in 2023, from 2.5% in 2022 to 0.6%. In 2024, a slow recovery with growth of 1% could be on the cards.

While the sharp fall in headline inflation has mostly been automatic, the resilience of core inflation, itself fuelled by stronger-than-expected growth, has led central banks to be more aggressive. Provided that inflation, and especially core inflation, continues to fall, the end of key rate hikes can be expected soon. Long rates could then slowly move towards a modest decline.

In June, following ten consecutive rate hikes totalling 500 basis points, the **Federal Reserve** opted for the status quo (Federal Funds Rate Upper Limit at 5.25%), pointing out that there could be further hikes and delivering a dot plot that suggested a further tightening of 50 basis points (bp), which is an aggressive forecast. The fear of a recession coupled with the fact that inflation is still too high argues in favour of an increase limited to 25 bp, as the market has suggested. The Fed Funds could therefore reach their peak in the summer (Upper Limit at 5.50%). There could be a gradual monetary easing from the second quarter of 2024 (25 bp per quarter), leaving the Upper Limit at 4.75% at the end of 2024.

The **ECB** is likely to maintain a restrictive, or even a highly restrictive, monetary policy over the coming quarters since inflation is falling too slowly and is still nowhere near target. The ECB is therefore likely to raise rates twice (in July and September, taking the deposit rate to 4%) while continuing its policy of quantitative tightening: reinvestments under the APP would end in July 2023 while those up to the end of 2024 under the PEPP (Pandemic Emergency Purchase Programme) would continue; TLTRO repayments would continue until the end of 2024 (but more gradually after the June 2023 repayment). There would be no cut in key rates before the end of 2024 (-50 bp).

By prioritising the fight against inflation, monetary strategies have helped limit the de-anchoring of inflation expectations and long-rate over-reaction, but they have promoted inverted interest rate curves and low or even negative real yields. Barring any inflation surprises, the risk of a rise in "risk-free" long rates and a noticeable widening of sovereign spreads within the Eurozone is limited. The risk of an inverted curve over the long term is very real; our scenario assumes a slightly positive slope (2/10-year swap rate) from 2025 onwards. The US and German 10-year rates are expected to be approximately 3.75% and 2.60% respectively at the end of 2023, then falling slightly (3.50%) and remaining stable. The spreads against the Bund are predicted to be 65 bp for France and 200 bp for Italy at end-2023. Finally, our scenario banks on the euro being around 1.10 against the dollar at the end of 2023.

Crédit Agricole CIB outlook for 2023

The economic environment remained turbulent at the beginning of 2023, as the fight against inflation remained the priority of central banks, with regular increases in their policy rates. Likewise, the consequences of the Russo-Ukrainian conflict in Europe (energy, scarcity of inputs) continued to weigh on economy. Nonetheless, household consumption has absorbed, better than anticipated, the erosion on purchasing power and monetary tightening, in most advanced economies, thanks to a strong labour market and savings that remain abundant, albeit not untouched. As a result, growth has held up better than expected and inflation has continued to decline, albeit at a high level. This environment has created risks but also opportunities for Crédit Agricole CIB's activities.

Against this backdrop, Crédit Agricole CIB achieved its best historical performance in the first half of 2023, illustrating the good dynamism and complementarity of its businesses and its business model. Crédit Agricole CIB's ambition continues to be the privileged partner of its customers and to be committed over the long term by facilitating their activities and their transitions in a global approach with the Crédit Agricole Group.

In **Capital Markets and Investment Banking**, Crédit Agricole CIB will continue its strategy of serving its customers' needs. Despite the seasonal effects that imply a traditional slowdown in the second half of the year, the TLTRO tranche withdrawal environment is expected to be favourable to primary market debt arrangement activities, Securitization and Secured Funding activities. Hedging and structured products activities are expected to continue to perform well despite the recent decline in volatility.

In **Financing Activities**, Crédit Agricole CIB intends to continue growing its revenues across all structured finance segments, as it did in 2022, and taking into account the impact of the Russian conflict and its ambitions in terms of the ecological transition in line with the net zero trajectory. Crédit Agricole CIB also anticipates growth in its International Trade & Transaction Banking activities, which are expected to remain strong, particularly in factoring and Cash Management. Excluding the negative impacts of the Russian conflict, Corporate & Leveraged Finance activities are expected to continue their development, particularly in Telecom activities.

4. RISK FACTORS

This section sets out the main developments that occurred during first half of 2023 and which relate to the "Risk Factors" chapter of Credit Agricole CIB 2022 Universal Registration Document (URD), page 150 and following pages. These developments appear below in bold characters.

4.1. Credit risks

A – Crédit Agricole CIB is exposed to credit risk on its corporate & financial institutions counterparties

Crédit Agricole CIB is exposed to credit risk in relation to its counterparties such as corporates and financial institutions. Credit risk impacts Crédit Agricole CIB's consolidated financial statements when counterparties are unable to honour their obligations and when the carrying amount of these obligations in the bank's records is positive. Counterparties may be banks, financial institutions, industrial or commercial enterprises, governments and their various entities or investment funds. The rate of counterparty defaults may increase compared to recent relatively low levels, Crédit Agricole CIB may be required to record significant charges and provisions for bad and doubtful loans, affecting its profitability. These provisions are accounted for in its income statement in the "cost of risk" accounting item. Crédit Agricole CIB provisions' level is established depending on loss historic data, volumes, types and maturities of loans granted, economic trend and other factors related to the loan recovery perspectives. The cost of risk includes both charges on defaulted loans (ECL stage 3 under IFRS 9) but also charges in case of deterioration in a counterparty's risk profile (ECL stage 1 and stage 2 under IFRS 9).

In relation to corporates, the credit quality of borrowers could experience a significant deterioration, primarily from increased economic uncertainty and, in some sectors, the risks associated with trade policies of major economic powers. The risks could be exacerbated by the recent practice by which lending institutions have reduced the level of covenant protection in their loan documentation, making it more difficult for lenders to intervene at an early stage to protect assets and limit the risk of non-payment.

The consequences of the Covid crisis are being absorbed, with a gradual recovery in tourism-related sectors (aeronautics, cruise, hotels). Nevertheless, economic conditions, marked by inflation in energy prices, raw materials and personnel costs, are impacting the margins of our corporate clients. At the same time, higher interest rates are being passed through to financing costs, which are absorbing a growing share of operating income. The impact is marked for the retailers' sector, traditionally with very low margins. The situation of small equipment manufacturers remains difficult in the automotive sector, which is itself embarking on a major structural revolution with the accelerated advent of electric vehicles. In the shipping sector, despite exceptional profits, a certain vigilance is required in the container carrier segment due to massive deliveries in 2023 and 2024 while the economic climate is less benign on the demand side. The dry bulk segment remains under surveillance due to the slowdown in the Chinese economy, its main driver. The difficulties of offshore oil (platforms or drilling vessels) were already present before the pandemic. Asset valuations are impacted by the rise in interest rates, mainly on the commercial real estate portfolio, and in particular in the United Kingdom and the United States.

Crédit Agricole CIB has exposure to many financial institutions, including brokers, commercial banks, investment banks, mutual and hedge funds and other institutional clients with which it regularly executes transactions. Many of these transactions expose Crédit Agricole CIB to credit risk in the event of counterparties' default or financial distress. In addition, Crédit Agricole CIB's credit risk may be exacerbated when the collateral held by Crédit Agricole CIB cannot be disposed of or is liquidated at prices not sufficient to recover the full amount of Crédit Agricole CIB's exposure under the loans or derivatives in default.

The current structural and cyclical environment creates a market configuration that carries liquidity risks for banks and financial institutions. We are witnessing the end of the low or negative interest rate regime, coupled with very large refinancing needs at the end of TLTROs in Europe, whereas in the United States the Treasury will absorb liquidity for very significant amounts following the increase in the debt ceiling. The post-Covid environment and the war in Europe are also likely to create unexpected market events. As the difficulties of US regional banks in the first half of 2023 have shown, rising rates are a risk factor for some lightly regulated financial institutions. The environment and the market are changing extremely quickly. Deposit bases are more unstable, which e-banking, 24/7, the media, fintechs, and cryptocurrencies reinforce. External support, based on interventions by the authorities, has worked in recent cases.

Crédit Agricole CIB seeks to reduce its exposure to credit risk by using risk mitigation techniques such as collateralisation, obtaining guarantees, entering into credit derivatives and entering into netting contracts. Only a portion of Crédit Agricole CIB's overall credit risk is covered by these techniques.

The average portfolio quality remains good with a proportion of investment grade ratings of 87% at 30 June 2023, stable from 31 December 2022.

As at 30 June 2023, the amount of risk-weighted assets related to credit risks, except those related to securitisation (covered in §D) and except sovereign assets (covered in §E), was €73.0 billion, equal to 53% of total risk-weighted assets.

B – Any significant sector or individual concentration could impact Crédit Agricole CIB financial situation

This Risk factor has not been modified since 31 December 2022 (please refer to page 151 of Crédit Agricole CIB 2022 URD).

As at 30 June 2023, the four major economic sectors of Crédit Agricole CIB were those of Banks accounting for €87 billion or

19.2% of total exposures net of export credit guarantees, Other non banking financial activities for €39 billion (8.7%), Oil & Gas for €34 billion (7.6%) and Electricity for €29 billion (6.4%).

C – Crédit Agricole CIB is subject to counterparty risk on market transactions

This Risk factor has not been modified since 31 December 2022 (please refer to page 151 of Crédit Agricole CIB 2022 URD).

Risk-weighted assets specific to this risk amounted to €20.7 billion as at 30 June 2023.

D – Crédit Agricole CIB is exposed to credit risk related to securitisation transactions

This Risk factor has not been modified since 31 December 2022 (please refer to page 151 of Crédit Agricole CIB 2022 URD).

Risk-weighted assets related to this risk amounted to €8.5 billion as at 30 June 2023.

E – Crédit Agricole CIB is exposed to country and sovereign risks

As a result of its exposure on numerous countries on all continents, Crédit Agricole CIB is exposed to country risk when the deterioration in the environment or the economic, financial, political or social situation of a country affects the Bank's activities and the quality of the counterparties in that country. Crédit Agricole CIB monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environment may require it to record additional charges or to incur losses beyond the amounts previously booked in its financial statements. In addition, Crédit Agricole CIB has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.

Crédit Agricole CIB's exposures are distributed between the following geographic regions: France, other Western European countries and North America. On all sectors, Crédit Agricole CIB exposures' amount on these three regions is respectively as at 30 June 2023 of €90 billion, €142 billion and €89 billion representing respectively 20%, 31% and 20% of the total exposures. Besides, commercial commitments in the countries which are rated as non investment grade on the internal rating scale amounted to 13% of total exposures as at 30 June 2023.

Crédit Agricole CIB is also exposed to sovereign risk under its various commitments to sovereign counterparties (in the event that they default or are unable to meet their contractual obligations). **The rise in sovereign debt due to the sanitary crisis has strengthened this risk. Risk-weighted assets specific to this risk amounted to €3.2 billion as at 30 June 2023.**

At the end of February 2022, tensions between Russia and Ukraine led to a military conflict, of which the magnitude and duration, nearly a year later, as well as its economic and financial impacts, remain highly uncertain.

The Crédit Agricole CIB Group has stopped all new financing to Russian companies and all commercial activities in the country since the start of the conflict. However, the Group is exposed directly and indirectly in Russia due to activities that predate the start of the conflict and has booked provisions on performing loans in the first quarter of 2022, in accordance with IFRS.

The exposures recognised in the subsidiary CACIB AO (onshore exposures) represented the equivalent of €0.2 billion at 30 June 2023 compared with €0.5 billion at 31 December 2021, with the change over the period due to a gradual decline in outstandings, particularly deposits with the Central Bank of Russia. The subsidiary's equity amounted to approximately €144 million, of which approximately €64 million in equity and €80 million in subordinated debt at 30 June 2023 (the amount of equity remained stable overall since 31 December 2022).

Exposures recognised outside CACIB AO (offshore exposures)[1] represented the equivalent of €2.3 billion at 30 June 2023 (including €2.3 billion recorded on the balance sheet[2]). They decreased by -€0.6 billion compared with 31 December 2022 and -€2.3 billion since the start of the conflict at the end of February 2022. The off-balance sheet portion of offshore exposures (documentary loans, financial guarantees and, to a lesser extent, undrawn confirmed credit facilities) amounted to €0.1 billion at 30 June 2023, down significantly by -€1.5 billion since the outbreak of the conflict.

In the context of the ongoing conflict and the resulting international sanctions, the portfolio continues to be subject to tighter supervision and exposures continue to decline gradually as reimbursements are recorded in strict compliance with international sanctions. As such, from the first quarter of 2022, at the beginning of the conflict, exposures were subject to significant provisioning, mainly on performing exposures. This provisioning is then updated throughout each quarter. Overall, the cost of risk for first half year 2023 relating to Russian exposures reached €7.7 million, of which €4.3 million related to performing exposures (Stages 1&2) and €3.4 million to specific exposures (Stage 3). The total amount of provisions on Russian exposures reached €502 million at 30 June 2023.

Indosuez Wealth Management's Russian exposure represented the equivalent of €152 million at 30 June 2023, decreasing since 31 December 2022 (equivalent to €220 million).

Variation risk[3] related to derivatives transactions is now nil at 30 June 2023 (versus €60 million at 31 December 2021).

In total, these exposures, of limited size (0.6% of Crédit Agricole CIB total exposures as of 30 June 2023), continue to be closely monitored.

(1) On- and off-balance sheet trade commitments of customers and banks, net of export credit agency guarantees, excluding variation risk.
(2) Used part of the credit facilities.
(3) Variation risk corresponds to the Amount at Risk or immediate loss in the event of default, including any margin calls.

4.2. Financial risks

A – The evolution of financial market conditions could impact Crédit Agricole CIB results

This Risk factor has not been modified since 31 December 2022 (please refer to page 152 of Crédit Agricole CIB 2022 URD).

Risk-weighted assets specific to market risk amounted to €10.6 billion as at 30 June 2023.

B – Crédit Agricole CIB is exposed to foreign exchange risk

This Risk factor has not been modified since 31 December 2022 (please refer to page 152 of Crédit Agricole CIB 2022 URD).

C - Crédit Agricole CIB is exposed to variations in interest rates

This Risk factor has not been modified since 31 December 2022 (please refer to page 153 of Crédit Agricole CIB 2022 URD).

According to regulatory requirements(1), the sensitivity of the bank's economic value to a change in interest rates of 200 basis points amounts to €1,093 million, or 3.6% of total regulatory capital.

D - Crédit Agricole CIB is exposed to the risk of change in the value of its securities portfolio

This Risk factor has not been modified since 31 December 2022 (please refer to page 153 of Crédit Agricole CIB 2022 URD).

As at 31 December 2022, the gross outstanding debt securities held by Crédit Agricole CIB was close to €34 billion. Accumulated impairments and reserves and negative fair value adjustments due to credit risk were €40 million.

E – Crédit Agricole CIB is exposed to liquidity availability and liquidity price risks

Liquidity risk has two aspects: liquidity availability risk and liquidity price risk. With regard to liquidity availability risk, Crédit Agricole CIB is exposed to the risk that its equity and liabilities, including clients' deposits, short-term market funds and long-term market funds, are insufficient to cover its assets. If this was the case, Crédit Agricole CIB would be at risk of not having the necessary funds to meet its commitments. This situation may result from a systemic crisis (a financial crisis impacting all operators), an idiosyncratic crisis (specific to the Crédit Agricole Group or Crédit Agricole CIB) or a combination of both. The Group's objective in managing liquidity is to be in a position to cope with any type of liquidity crisis over extended periods of time at a reasonable price. **During the first half of 2023, the tightening of monetary policies, rising rates and falling central bank balance sheets in particular, had an impact on global liquidity and its access cost. For example, MMFs (Money Market Funds) have once again become attractive versus bank deposits, and the return of rates to positive territory on the Euro side has also rekindled competition between banks on inflows. As at 30 June 2023, Crédit Agricole CIB's LCR ratio (Liquidity Coverage Ratio - prudential ratio to ensure the short-term resilience of the liquidity risk profile) was 121%, greater than the regulatory minimum of 100%.**

Liquidity price risk is the risk of additional financial costs caused by a change in refinancing spreads. Crédit Agricole CIB's cost of obtaining long-term unsecured funding is directly related to its credit spread (the amount paid to investors in debt instruments issued by Crédit Agricole CIB, in excess of the interest rate of government securities of the same maturity). Changes in credit spreads are continuous, market-driven and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the issuer's creditworthiness, reflected in its credit rating.

Credit ratings have a significant impact on Crédit Agricole CIB's liquidity, both in terms of availability and price. A significant rating downgrade could have a significant adverse impact on Crédit Agricole CIB's liquidity and competitiveness. Indeed, ratings influence the amount of liquidity Crédit Agricole CIB can borrow on the markets; they may also, in the event of a significant deterioration, generate an additional liquidity requirement impacting obligations under certain trading, derivatives and hedging contracts. In relation to price, a better rated issuer will benefit, everything else being equal, from a lower price.

The Group's ratings from Moody's, S&P Global Ratings and Fitch Ratings are respectively Aa3 [stable perspective], A+ [stable perspective] and AA- [stable perspective] at 30 June 2023.

F – Any significant variation in the value of equity investments could impact Crédit Agricole CIB results

This Risk factor has not been modified since 31 December 2022 (please refer to page 154 of Crédit Agricole CIB 2022 URD).

(1) At 31/12/2022, data disclosed were calculated using internal methodology.

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4.3. Operational risks

Risk-weighted assets specific to these risks amounted to €22.3 billion as at 30 June 2023.

◆ A – Crédit Agricole CIB is exposed to non-compliance risks and legal risks

Crédit Agricole CIB is exposed to the risk of fraud

This Risk factor has not been modified since 31 December 2022 (please refer to page 154 of Crédit Agricole CIB 2022 URD).

Crédit Agricole CIB is exposed to the risk of paying high damages or fines, risk arising from legal arbitration or administrative proceedings which could be initiated against it

This Risk factor has not been modified since 31 December 2022 (please refer to page 154 of Crédit Agricole CIB 2022 URD).

◆ B – Crédit Agricole CIB is exposed to other operational risks including Information System Security risks

This Risk factor has not been modified since 31 December 2022 (please refer to page 155 of Crédit Agricole CIB 2022 URD).

4.4. Business risk

◆ A - Potential negative impact of adverse economic and financial conditions could expose Crédit Agricole CIB to systemic risk which would impact its activities and financial situation

The businesses of Crédit Agricole CIB are specifically and significantly exposed to changes in financial markets and to the development of the economic conditions in France, Europe and the rest of the world. In the financial year ended 31 December 2022, 39% of Crédit Agricole CIB's net banking income were generated in France, 31% in Europe outside France, and 30% in the rest of the world. A deterioration in economic conditions in the markets where Crédit Agricole CIB operates could be the consequence of different factors.

- **The war in Ukraine is still ongoing, with no end in sight as to how, when, or under what conditions it can end. An intensification of the conflict, an enlargement to other countries, the nuclear threat, the collapse of Russia, etc., or, conversely, a rapid peace and a satisfactory compromise: everything can happen. The risks of a deterioration in the global environment are still very present and likely to significantly disrupt the global economy.**
- **The Covid crisis and then the war in Ukraine have clearly exposed major issues of sovereignty, preservation of strategic sectors and protection of key supplies, so as not to depend on a hostile power or a single supplier. Combined with the accelerating challenges of the climate transition, changes in countries' industrial strategies are leading to an economic reconfiguration of global value chains and giving rise to forms of protectionism, such as the US Inflation Reduction Act. These movements are likely to lead to additional price pressures and to destabilize economic sectors and stakeholders.**
- **The hegemonic desires of the major powers lead to geopolitical and trade tensions. Global geopolitical balances are evolving rapidly and geopolitical recomposition is at work, with no precise contours to be anticipated. In particular, the intensification of tensions between the United States and China and their desire to decouple their economies, particularly in the technological sectors, can give rise to multiple scenarios and activate numerous risks: war and trade sanctions, military tensions, around Taiwan and in the South China Sea, etc.**
- **Inflation could fall less quickly than expected or even rise again, depending on geopolitical developments and the risks they entail for prices, particularly energy and food prices, and supply chains.**
- **The rapid rise in interest rates can put some major economic players, particularly the most indebted, in difficulty. Difficulties in repaying these debts can cause a significant shock in the markets and have systemic impacts.**
- **The effects of monetary policy and higher interest rates have not yet fully materialized and may be more negative than expected on client activity and asset quality. More generally, the succession of unprecedented exogenous shocks and the difficulties in assessing the economic situation that they have caused can lead central banks to an inappropriate monetary policy: a premature end to monetary tightening could lead to self-sustained inflation and a loss of central bank credibility, while a policy that is too restrictive for too long could lead to a sharp recession in activity.**
- **Corporate defaults, which fell sharply in 2020, unrelated to the macroeconomic context, due to massive public support, are gradually normalizing but could see their number increase faster than anticipated, also leading to a rise in the unemployment rate.**
- **Climate events, droughts, floods or a cold winter can lead to renewed pressures on energy and food prices. Higher inflation would further reduce the purchasing power of households and worsen the situation of businesses.**
- **In France, there could also be a significant fall in confidence in the event of a more marked deterioration of the social context which could lead households to consume less and save more as a precaution and companies to delay investments, which could be harmful to growth and to the quality of credit as private debt increased more rapidly than in the rest of Europe. A political and social crisis, in a context of low growth and high public debt, would have a negative impact on investor confidence and could lead to further increases in interest rates and refinancing costs for the government, companies and banks. It would also mean losses on the sovereign portfolios of banks and insurers.**

Whatever its causes, the deterioration of economic and financial conditions could have one or several of the following consequences on Crédit Agricole CIB's activities, results and financial position:

- adverse economic conditions would affect the business and operations of clients of Crédit Agricole CIB, which could decrease its revenues and increase the rate of default on loans and other receivables, generating additional cost of risk for Crédit Agricole CIB;
- a fall in bond, equity and commodity prices could impact a significant proportion of Crédit Agricole CIB's business activities;
- macroeconomic policies adopted in response to actual or anticipated economic conditions could have unintended effects and may impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the businesses of Crédit Agricole CIB that are most exposed to market risk;
- perceived favourable economic conditions, generally or in specific business sectors, could result in asset price bubbles which could in turn exacerbate the impact of corrections if conditions became less favourable;
- a significant economic disruption (such as the global financial crisis of 2008, the European sovereign debt crisis of 2011 or the Covid crisis in 2020) could have a severe impact on all of the activities of Crédit Agricole CIB, particularly if the disruption is characterised by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all.

The economic sectors in which Crédit Agricole CIB operates have been affected in different ways by the geopolitical and economic context. Those in which the deterioration of risk profile is most marked include: the distribution sector, traditionally with very low margins, which represents 2.5% of Crédit Agricole CIB's exposures, the automotive sector (small part suppliers) which represents 2.9% of exposures, the maritime sector (notably containers and bulkers) representing 2.5% of exposures, the Oil & Gas sector (offshore) representing 7.6% of exposures, and real estate (notably in the United States and the United Kingdom) representing 4.8% of exposures.

The deterioration of the risk profile in the various sectors mentioned above as well as the downgrade of Russian counterparts' ratings in the context of the conflict between Russia and Ukraine is reflected in the cost of risk for Crédit Agricole CIB and in additional risk-weighted assets reflecting a decline in the internal credit ratings of clients. These two factors combined reduce Crédit Agricole CIB's profitability. In 2022, internal credit ratings of Crédit Agricole CIB's clients were significantly impacted by the evolution of the sanitary and world macroeconomic situation and in particular by the consequences of the conflict in Ukraine. Hence, the cost of risk of Crédit Agricole CIB amounted to -€249 million for the corporate and investment banking, of which -€536 million on Russian clients (including -€374 million on performing exposures, Stages 1 & 2), while risk weighted assets amounted to €4.6 billion due to the impacts of the Russia-Ukraine conflict and in particular the downgrades in Russian counterparties' ratings and market risk. **During the first semester of 2023, the cost of risk of the corporate and investment banking remained moderate, amounting to -€67 million.**

However, in the first half of 2023, as in 2022, the diversification of Crédit Agricole CIB's activities remains a major asset, both in terms of sectors, businesses and geographies. The priorities of the new medium-term plan will allow us to pursue the development of Crédit Agricole CIB's differentiating segments and to strengthen the consideration of issues related to the energy transition as well as digitalization in order to preserve and develop our market shares.

It is difficult to anticipate the downturn in economic or financial markets and to determine which markets would be most affected. If the business environment or market conditions in France or elsewhere in Europe, or the financial markets as a whole, deteriorate or become significantly more volatile, Credit Agricole CIB's operations could be disrupted and its activities, performance and financial situation could consequently suffer a significant adverse impact.

B - Potential unfavourable impact of changes in laws and regulations could expose Crédit Agricole CIB to systemic risk which could affect its activities and results

This Risk factor has not been modified since 31 December 2022 (please refer to page 157 of Crédit Agricole CIB 2022 URD).

C - Strategic risk: Crédit Agricole CIB could potentially fail to achieve the objectives set out in its medium-term plan

This Risk factor has not been modified since 31 December 2022 (please refer to page 158 of Crédit Agricole CIB 2022 URD).

4.5. Climate and environmental risks

Crédit Agricole CIB is exposed to the risks incurred by climate and environmental change.

This Risk factor has not been modified since 31 December 2022 (please refer to page 158 of Crédit Agricole CIB 2022 URD).

4.6. Risks relating to the structure of the Crédit Agricole Group

This Risk factor has not been modified since 31 December 2022 (please refer to page 159 of Crédit Agricole CIB 2022 URD).

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5. RISK MANAGEMENT

Crédit Agricole CIB Group is predominantly exposed to the following risk categories:

- credit risks;
- financial risks;
- operational risks, including legal and non-compliance risk.

The organisation, principles, and management and supervision tools applied to these risks are described in detail in the 2022 Universal Registration Document, specifically in the chapter covering risk management (pages 161 to 204).

The description of these risks and the main changes observed in the first half of 2023 are presented below, with the exception of sovereign risk whose changes are presented in Note 3.2 to the financial statements.

5.1. Credit risk

The credit risk management principles, methodologies and system are described in detail in pages 177 to 187 of the 2022 Universal Registration Document.

Concentrations

Breakdown of counterparty risk by geographic region (including bank counterparties)

At 30 June 2023, loans granted by Crédit Agricole CIB net of Export Credit Guarantees and excluding UBAF (i.e. €454 billion versus €465 billion at 31 December 2022) are broken down by geographic region as follows:

Breakdown in %	30.06.2023	31.12.2022
Other Western European countries	31.19%	30.07%
France	19.92%	26.54%
North America	19.62%	18.71%
Asia (excluding Japan)	10.55%	11.27%
Japan	11.02%	5.76%
Africa and Middle East	3.95%	4.24%
Latin America	2.31%	2.18%
Other European countries	1.43%	1.23%
Other and supranational	0.01%	0.00%

Source: Risk data (excluding UBAF, commercial commitments on the balance sheet and off-balance sheet commitments of customers and banks, net of export credit guarantee).

Breakdown of risks by business sector (including bank counterparties)

At 30 June 2023, loans granted by the Crédit Agricole CIB Group, net of export credit guarantees (excluding UBAF), totalled €454 billion (€532 billion gross), compared to €465 billion at end 2022.

This can be broken down by economic sector as follows:

Breakdown in %	30.06.2023	31.12.2022
Bank	19.15%	20.14%
Miscellaneous	15.47%	15.69%
O/w Securitisations	8.76%	8.64%
Other financial activities (non-banking)	8.66%	8.28%
Oil & Gas	7.57%	8.62%
Real estate	4.79%	4.64%
Electricity	6.39%	5.93%
Aerospace/Aeronautics	3.37%	3.48%
Heavy industry	3.66%	3.50%
Automotive	2.93%	2.85%
Maritime	2.54%	2.45%
Telecom	3.86%	3.30%
Construction	2.00%	1.92%
Insurance	2.31%	2.20%
Other industries	2.89%	2.72%
Other transport	2.39%	2.43%
Production & Distribution of Consumer Goods	2.55%	2.37%
IT/Technologies	2.46%	2.75%
Health/Pharmaceuticals	1.92%	1.76%
Agri-food	1.62%	1.41%
Tourism/Hotels/Restaurants	1.04%	1.08%
Non-commercial services/ Public sector/Local authorities	0.98%	1.26%
Media/Publishing	0.59%	0.37%
Utilities	0.46%	0.47%
Wood/Paper/Packaging	0.39%	0.38%
Total	**100.00%**	**100.00%**

Source: Risk data (excluding UBAF, commercial commitments on the balance sheet and off-balance sheet commitments of customers and banks, net of export credit guarantee).

Cost of risk

Crédit Agricole CIB's cost of risk and its main changes are presented in Note 4.9 of the consolidated financial statements.

Application of IFRS 9

The principles used to calculate expected credit loss (ECL) are described in the accounting policies and principles (Credit Risk section) which include, in particular, the market inputs, assumptions and estimation techniques used.

In order to calculate expected credit loss in the next 12 months and for the entire remaining life, and in order to determine whether the credit risk of financial instruments has increased significantly since their initial recognition, the Group draws mainly on data used as part of the regulatory calculation system (the internal rating system, evaluation of risk reduction factors and loss given defaults).

Two distinct types of forward-looking macroeconomic information are used when estimating expected loss: central forward-looking information, used to ensure the homogeneity of the macroeconomic vision for all group entities, and local forward-looking information, which can be used to adjust the parameters of the central scenario to take into account Crédit Agricole CIB's specific local characteristics.

To put together the central forward-looking information, the Group relies on four prospective macroeconomic scenarios drawn up by Crédit Agricole S.A.'s Economic Research Department (ECO), which are weighted based on their expected probability of occurrence. The baseline scenario, which is based on budget assumptions, is supplemented by three other scenarios (adverse, moderate adverse and favourable). Quantitative models for assessing the impact of macroeconomic data on the evolution of ECL are also used in internal and regulatory stress tests.

The economic variables are updated quarterly and contain the factors that affect the Group's main portfolios (for example: Change in French and euro zone countries' GDP, unemployment rate in France and Italy, household investment, oil prices, etc.).

The economic outlook and scenarios used to calculate ECL are reviewed each quarter by the IFRS 9 Coordination Committee which brings together the main Group entities as well as any departments of Crédit Agricole S.A. that are involved in the IFRS 9 process.

The central scenario used in the Group's and its entities' central *forward-looking* forecasting models can be summarized as follows:

The new 2022 Central Eco scenario presents both negative and positive signals. Under the negative outlooks, inflationary pressure continues mostly on energy prices. Inflation increases by +4.2% in France and +7.6% in the USA in 2022.

The inflationary shock is considered to be cyclical with a return to normal in 2023.

Despite this context, economic forecasts show a net improvement in the unemployment outlook in the euro zone, with an exceptionally low level for France, 7.5%. GDP in the euro zone and the USA have returned to its pre-crisis level due to sustained growth rates in 2022 (3% for the USA and the euro zone). Equity and Real Estate markets also increase sharply in the central scenario.

Change in ECLs

The change in the structure of exposures and ECLs over the course of the period is detailed in Note 3 to the financial statements at 30 June 2023.

5.2. Financial risks

MARKET RISKS

Market risks management systems and the methodology employed to measure and supervise market risks are detailed on pages 188 to 194 of the 2022 Universal Registration Document.

MARKET RISKS MEASUREMENT AND MANAGEMENT METHODOLOGY

During the first semester 2023, a methodological improvement has been implemented following an audit assignment requested by the bank and carried out in 2021; the ECB authorized Crédit Agricole CIB to extend its VaR/SVaR model to include xVA exposures as of March 16, 2023.

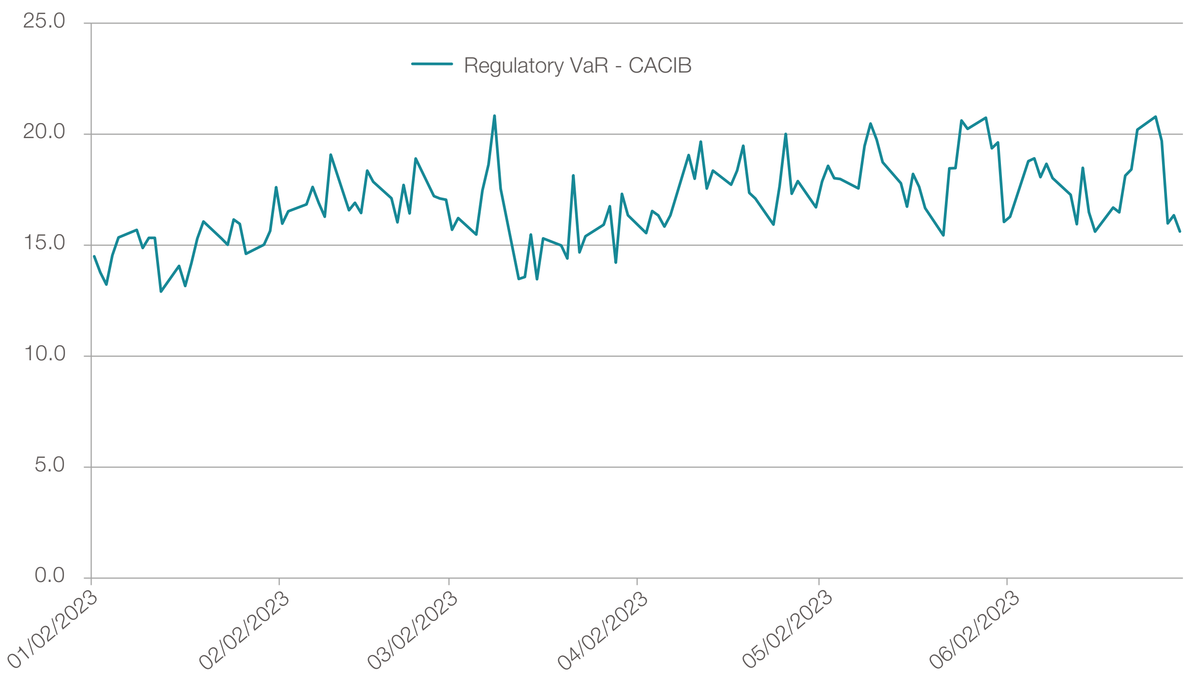
EXPOSURE (VALUE AT RISK (VAR) MEASURE)

Measure of regulatory VaR of Crédit Agricole CIB during the first semester 2023

	First Semester 2023				31.12.2022
€ million	End of period	Minimum	Average	Maximum	
Total VaR	16	13	17	21	16
Netting Effect	(9)	(2)	(8)	(16)	(6)
Rates	11	6	12	18	8
Equity	3	2	3	4	2
Fx	3	2	3	6	5
Commodities	0	0	0	0	0
Credit	7	5	7	9	6

CRÉDIT AGRICOLE CIB'S DAILY CHANGE IN REGULATORY VAR

Crédit Agricole CIB's regulatory VaR in first semester 2023 (in € million)



Regulatory VaR amounted to €15.6 million at the end of the first half of 2023.

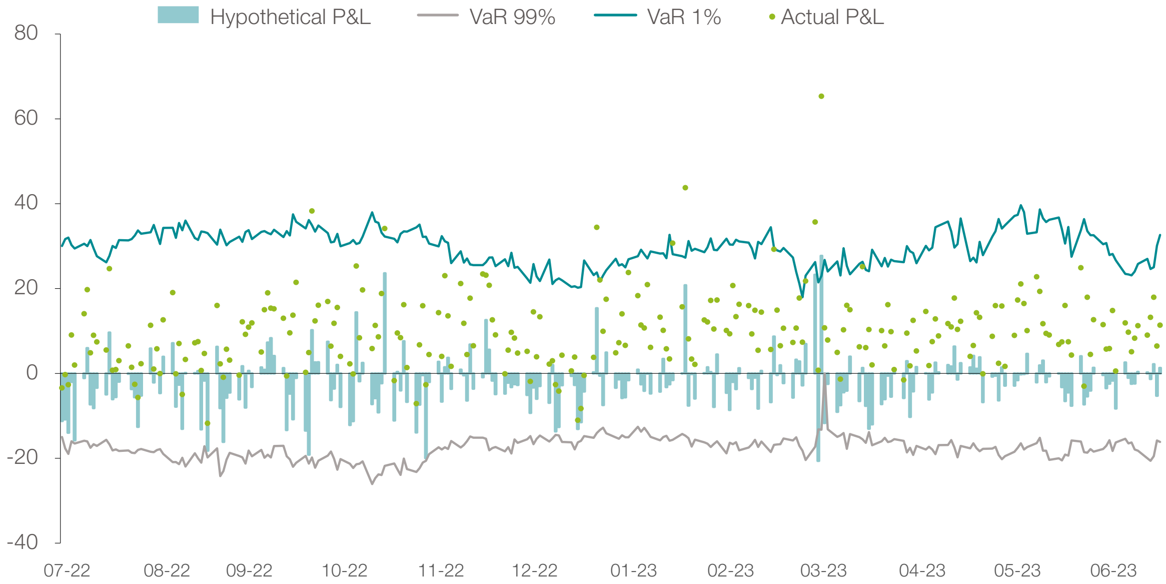
Crédit Agricole CIB's regulatory VaR varied in a narrower range during the first half of 2023 than in 2022, reaching a maximum of €20.8 million on March 9th 2023 and a minimum on January 13th 2023 at €12.9 million.

Variations of VaR over the period are explained in particular by the lower netting effects of the various perimeters, but also by market volatility observed in March (during the US regional banks' liquidity crisis, and the "Crédit Suisse" crisis). The increase is mainly driven by rates and credit perimeters as shown in the above table - "Measure of regulatory VaR of Crédit Agricole CIB during the first semester 2023".

Regulatory VaR averaged €16.9 million for the first half of 2023, representing an increase compared to 2022 average which was of €15.2 million.

VaR BACKTESTING

▶ Backtesting of Crédit Agricole CIB's REG VaR at 30 June 2023 (in € million – pillar 3 – MR4)



At the end of June 2023, there was one backtesting exception over 12-month rolling period, with hypothetical loss exceeding VaR. This exception on March 14th 2023, to be considered in determination of the own funds amount, are mainly due to changes in market data observed in March 2023.

CHANGE IN STRESSED REGULATORY VAR IN THE FIRST HALF OF THE YEAR 2023

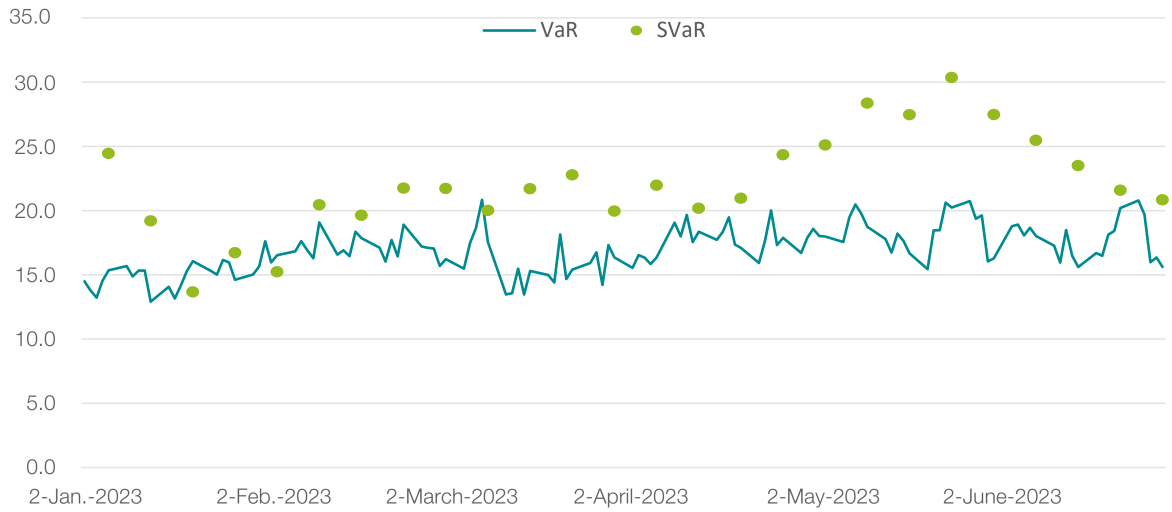
In accordance with the regulator's requirements, the Stressed Value at Risk (SVaR) is produced on a weekly basis. Like VaR, Stressed VaR was subject to a methodological change in the first half of 2023, with the inclusion of xVA exposures effective from March 16, 2023.

The graph below shows the changes in Crédit Agricole CIB's regulatory VaR and Stressed VaR over the first semester 2023.

The Stressed VaR in half-year 2023, on average, was €22.1 million, significantly lower than 2nd semester of 2022, and quite below its peak of €42.2 million reached on October 14th 2022.

At the end of June, the SVaR/ VaR ratio is 1.3.

▶ Stressed regulatory VaR S1-2023 (in M€)



€ million	First semester 2023				31.12.2022
	End of period	Minimum	Average	Maximum	
Stressed regulatory VaR	21	14	22	30	22

OTHER INDICATORS

Own funds requirement related to the IRC

€ million	30.06.2023	Minimum	Maximum	Average	31.12.2022
IRC	216	120	216	179	147

Own funds requirement associated with CVA

€ million	30.06.2023	Minimum	Maximum	Average	31.12.2022
CVA	375	315	375	337	349

Own funds requirement associated with prudent valuation

€ million	30.06.2023	Minimum	Maximum	Average	31.12.2022
Prudent Valuation	906	906	921	914	975
Of which Market Activities	686	686	698	692	757

OTHER FINANCIAL RISKS

The organisation and supervisory/oversight system applied to asset-liability management are described on pages 195 to 198 of the 2022 Universal Registration Document and did not undergo any significant changes.

GLOBAL INTEREST RATE RISK

Global interest rate risk or interest rate risk on the banking book refers to the current or potential risk of a decrease in capital or banking revenues as a result of adverse movements in interest rates affecting the positions of its banking book.

The objectives and policy, Risk Management, and the method for measuring overall interest rate risk are presented on pages 195 and 196 of the 2022 Universal Registration Document.

Exposure

Crédit Agricole CIB's exposure to overall interest rate risk on client transactions is limited given the interest rate matching rule for each client financing with Treasury.

The interest rate risk mainly derives from capital, investments, modelling of non-interest-bearing liabilities and from maturities of less than one year from the Treasury activities of the banking book.

The Group is mainly exposed to euro zone and, to a lesser extent US Dollar, interest rate variations.

Crédit Agricole CIB manages its exposure to interest rate risk using gap exposure limits and based on the net present value of all currencies defined by Crédit Agricole S.A.

Interest rate gaps express the surplus or deficit on fixed-rate financial resources/borrowings. Conventionally, a positive gap represents an exposure subject to the risk that interest rates will fall over the period in question.

The results of these measures at 30 June 2023 therefore show that the Bank is exposed to a fall in interest rates, mainly during the first year.

€ billion	0-1 year	1-5 years	5-10 years
Average US Dollar gap	0.72	(0.05)	0.12
Average Euro gap	2.09	0.27	0.47

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FOREIGN EXCHANGE RISK

Foreign exchange risk is the financial risk associated with an unfavourable change in exchange rates on the foreign exchange market. It is primarily assessed by measuring net residual exposure, taking into account gross foreign exchange positions and hedging and differentially between structural and operational foreign exchange risk. Structural and operational foreign exchange risks are described on page 196 of the 2022 Universal Registration Document and have not changed significantly in the first half of 2023.

LIQUIDITY RISK

The Crédit Agricole CIB Group is, like all credit institutions, exposed to the risk that it will not have sufficient funds to honour its commitments. This risk is realised in the event, for example, of a massive withdrawal of deposits from customers or investors or during a crisis of confidence or general market liquidity (access to interbank, money and bond markets).

At end-June 2023, the LCR numerator (including the portfolio of HQLA securities, cash and central-bank deposits, excluding mandatory reserves), averaged over 12 months, came out at €154 billion for Crédit Agricole CIB. The LCR denominator (representing net cash outflows), averaged over 12 months, stood at €128 billion for Crédit Agricole CIB.

Crédit Agricole CIB's LCR averaged 121% over 12 months at end-June 2023. Credit institutions have been subject to a LCR threshold of 100% since 1 January 2018.

GLOBAL INTEREST RATE AND FOREIGN EXCHANGE RISK HEDGING

In managing its financial risks, Crédit Agricole CIB uses instruments (interest rate swaps and forex transactions) for which a hedging relationship is established based on the management intention pursued.

Note 3.5 to the Group's consolidated financial statements presents the market values and notional amounts of hedging derivatives. The three types of hedges used (fair-value hedge, cash-flow hedge and hedge of a net investment in a foreign operation) are described on page 198 of the 2022 Universal Registration Document.

Regarding cash-flow hedges, in accordance with IFRS 7, the amounts of future interest payments associated with balance sheet items subject to cash-flow hedges are presented below by maturity.

	30.06.2023			
€ million	<1 year	1 to 5 years	≥ 5 years	TOTAL
Cash flow hedged (to be paid)	15	4	0	20
Cash flow hedged (to be received)	906	1,957	513	3,376

5.3. Operational risks

Operational risks were the subject of a taxonomy established at the Crédit Agricole Group level and adapted for Crédit Agricole CIB, which is presented in the preamble to the “Risk Factors” section.

Crédit Agricole CIB’s operational losses remain very limited in the context of a geopolitical crisis and economic uncertainty: the overall amount recorded at 30 June 2023 was €6.4 million (excluding border credit risk), of which €4.9 million for Corporate and Investment Bank.

No significant financial consequences related to Covid-19 or the Ukraine crisis over the half-year. Maintaining the crisis system over time remains a matter of vigilance and a strong point of attention.

The bank is continuing its efforts to maintain and adapt its close management of operational risks:

- deployment of an operational controls register,
- update of supervisory controls,
- work on new risks (climatic in particular),
- involvement in the management of outsourcing and pooling in the light of EBA guidelines and to meet the bank’s needs.

This operational risk management system and its evolution justify a net “acceptable” rating of Crédit Agricole CIB's operational risk at 30 June 2023.

At 30 June 2023, the “quarterly operational cost of risk/quarterly Net banking income” risk appetite indicator came out at -1.01%, with a risk tolerance of 1%. The negative amount is explained by an exceptional free reversal of a provision of €18 million, accounted in Q2 2023.

5.4. Developments in legal risks

The main legal and tax proceedings outstanding at Crédit Agricole Corporate & Investment Bank and its fully consolidated subsidiaries are described in the 2022 management report.

With respect to the exceptional events and the litigations set out in this report, the new developments are mentioned:

- in the second paragraph of the part relating to “Bonds SSA”,
- in the penultimate and the last paragraphs of the part relating to “O’Sullivan and Tavera”.

LITIGATION AND EXCEPTIONAL EVENTS

Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (i.e. €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Fed) and the New-York State Department of Financial Services (NYDFS) are with Crédit Agricole S.A. and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney’s Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. On October 19, 2018 the two deferred prosecution agreements with USAO and DANY ended at the end of the three year period, Crédit Agricole CIB having complied with all its obligations under the DPAs.

Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole’s compliance program is subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indexes

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a statement of objection to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the General Court of the European Union to overturn it. The hearing before the Court was held on 17 March 2022 and the date of the decision is not known at this stage.

The Swiss competition authority, COMCO, has conducted an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. This investigation was closed following a settlement procedure under which Crédit Agricole S.A. agreed to pay a penalty of CHF 4,465,701 and proceedings costs amounting to CHF 187,012 without any admission of guilt.

Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The investigation into certain foreign exchange derivatives (ABS-NDF) has been closed by the KFTC according to a decision notified to Crédit Agricole CIB on 20 December 2018.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is now closed, as the plaintiffs decided to voluntarily dismiss from the proceedings. Concerning the"Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB had introduced a motion to dismiss the plaintiffs' claim, which was, in fist instance, granted by the US District Court of New York State. On 14 June 2019, the plaintiffs had appealed this decision. While awaiting the decision on this appeal, the U.S. Second District Court of Appeal handed down on 31 December 2021, in a separate case (known as GELBOIM), a decision modifying its jurisprudence on the personal jurisdiction of US courts over foreign defendants. In order to avoid possible negative consequences of this reversal of jurisprudence on the ongoing appeal, Crédit Agricole S.A. and Crédit Agricole CIB had negotiated with the plaintiffs a settlement to permanently end the proceedings providing for the payment to the plaintiffs of 55 million US dollars, which was made in 2022. This settlement, which does not involve any admission of guilt from Crédit Agricole S.A. and Crédit Agricole CIB, was homologated by the New-York court on November 15, 2022, a decision that was not appealed. According to the usual cooperation provisions of such an agreement, a request for confirmatory discovery could possibly be submitted to Crédit Agricole S.A. and Crédit Agricole CIB by the plaintiffs in 2023 in the event that this would be necessary in the context of their discussions to reach an agreement with other parties that have not settled yet.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. After having granted a first motion to dismiss filed by Crédit Agricole S.A. and Crédit Agricole CIB, the New York Federal District Court, ruling on a new request by the plaintiffs, excluded Crédit Agricole S.A. from the Frontpoint case on the grounds that it had not contributed to the relevant indexes. The Court considered, however, taking into account recent developments in case law, that its jurisdiction could apply to Crédit Agricole CIB, as well as to all the banks that are members of the SIBOR index panel. The allegations contained in the complaint regarding the SIBOR/USD index and the SOR index were also rejected by the court, therefore the index SIBOR/Singapore dollar alone is still taken into account. On 26 December, the plaintiffs filed a new complaint aimed at reintroducing into the scope of the Frontpoint case the alleged manipulations of the SIBOR and SOR indexes that affected the transactions in US dollars. Crédit Agricole CIB, alongside the other defendants, objected to this new complaint at the hearing held on 2 May 2019 before the New York Federal District Court. On July 26, 2019, the Federal Court granted the defendants' motion to dismiss. The plaintiffs filed a notice of appeal on August 26, 2019.

On March 17, 2021, a three-judge panel of the Court of Appeal of the 2nd Circuit reversed the dismissal and returned the case to the District Court. The defendants, including Crédit Agricole CIB, requested the Second Circuit Court to rehear the case "*en banc*" (all the active judges of the Court). This motion was denied by the Second Circuit Court on May 6, 2021. Another motion was filed on May 12, 2021 by the defendants seeking a stay of this decision remanding the case to the District Court, which was rejected on May 24, 2021. On October 1, 2021, the defendants filed a petition for writ of certiorari with the US Supreme Court, which decided on January 10, 2022 not to consider the case. A new petition, currently under review, has been filed by the defendants before the District Court in an attempt to stop this action.

On 27 May 2022, the 13 defendants entered into a settlement agreement with the plaintiffs to definitely dismiss this action. This agreement provides for payment of a fixed sum to the plaintiffs, with distribution plan for each plaintiff. It therefore provides for payment by Crédit Agricole CIB of $7.3 million (8.03% of the total amount). This agreement which includes no acknowledgement of culpability on the part of Crédit Agricole CIB, was homologated by the New York court on November 29, 2022, a decision that was not appealed.

◆ Bonds SSA

Several regulators requested information to Crédit Agricole S.A. and to Crédit Agricole CIB for investigations relating to activities of different banks involved in the secondary trading of Bonds SSA (Supranational, Sub-Sovereign and Agencies) denominated in American dollars. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information available. On 20 December 2018, the European Commission issued a Statement of Objections to a number of banks including Crédit Agricole S.A. and Crédit Agricole CIB within its inquiry on a possible infringement of rules of European Competition law in the secondary trading of Bonds SSA denominated in American dollars. Crédit Agricole S.A. and Crédit Agricole CIB became aware of these objections and issued a response on 29 March 2019, followed by an oral hearing on 10-11 July 2019.

In a decision dated 28 April 2021, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €3,993,000 for participating in a cartel in the secondary trading market of Bonds SSA denominated in American dollars. On 7 July 2021, Crédit Agricole S.A. and Crédit Agricole CIB appealed this decision to the General Court of the European Union. The appeal hearing took place on 16 June 2023 and judgment is pending.

Crédit Agricole CIB was included with other banks in a putative consolidated class action before the United States District Court for the Southern District of New York. That action was dismissed on 29 August 2018 on the basis that the plaintiffs failed to allege an injury sufficient to give them standing. However the plaintiffs were given an opportunity to attempt to remedy that defect. The plaintiffs filed an amended complaint on 7 November 2018. Crédit Agricole CIB as well as the other defendants filed motions to dismiss the amended complaint. An order issued on 30 September 2019 dismissed the class action against Crédit Agricole CIB for lack of personal jurisdiction and, in a subsequent ruling, the Court held that the plaintiffs had in any event failed to state a claim for violation of US antitrust law. In June 2020, the plaintiffs took an appeal from both of the Court's orders. On 19 July 2021, the Second Circuit Court of Appeals affirmed the district court's holding that plaintiffs had failed to state a claim for violation of US antitrust law. Plaintiffs' deadline to seek further review of the district court's decision from the US Supreme Court passed on 2 December 2021 without plaintiffs seeking review by that Court. Plaintiffs subsequently sought leave to file a motion to vacate the trial court's judgment, on the basis that the trial court judge had not disclosed a conflict of interest at the outset of the action. The action was reassigned to a new judge for purposes of considering that request, and that new judge ordered the parties to brief the issue for her review. On 3 October 2022, that judge, District Judge Valerie Caproni, issued an opinion and order denying the plaintiffs' motion to vacate the judgment and instructing the Clerk of Court to close the case. Plaintiffs did not take an appeal from Judge Caproni's ruling.

On 7 February 2019, a second class action was filed against Crédit Agricole CIB and the other defendants named in the class action already pending before the United States District Court for the Southern District of New York. In July 2020, the plaintiffs voluntarily discontinued the action but the claim could be revived.

On 11 July 2018, Crédit Agricole S.A. and Crédit Agricole CIB were notified with other banks of a class action filed in Canada, before the Ontario Superior Court of Justice. Another class action was filed in the Federal Court of Canada. The action before the Ontario Superior Court of Justice was dismissed on 19 February 2020. The Crédit Agricole defendants have reached an agreement in principle to resolve the proceedings before the Federal Court. The final agreement has yet to be negotiated, signed and approved by the court.

O'Sullivan and Tavera

On November 9, 2017, a group of individuals, (or their families or estates), who claimed to have been injured or killed in attacks in Iraq filed a complaint ("O'Sullivan I") against several banks including Crédit Agricole S.A., and its subsidiary Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB), in US Federal District Court in New York.

On December 29, 2018, the same group of individuals, together with 57 new plaintiffs, filed a separate action ("O'Sullivan II") against the same defendants.

On December 21, 2018, a different group of individuals filed a complaint ("Tavera") against the same defendants.

All three complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants conspired with Iran and its agents to violate US sanctions and engage in transactions with Iranian entities in violation of the US Anti-Terrorism Act and the Justice Against Sponsors of Terrorism Act. Specifically, the complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants processed US dollar transactions on behalf of Iran and Iranian entities in violation of sanctions administered by the US Treasury Department's Office of Foreign Assets Control, which allegedly enabled Iran to fund terrorist organizations that, as is alleged, attacked plaintiffs. The plaintiffs are seeking an unspecified amount of compensatory damages.

On 2 March 2018, Crédit Agricole CIB and other defendants filed a motion to dismiss the O' Sullivan I Complaint. On 28 March 2019, the Court granted defendants' motion to dismiss. On 22 April 2019, the plaintiffs filed a motion to amend their complaint. Defendants submitted an opposition to that motion on 20 May 2019 and plaintiffs filed a reply on 10 June 2019. On 25 February 2020 the plaintiffs' motion to amend their complaint was denied and their original complaint dismissed with prejudice.

On 28 May 2020, plaintiffs filed a motion requesting that the court enter a final judgment against defendants to allow an appeal. On 11 June 2020, the defendants filed an opposition to plaintiffs' motion, and plaintiffs filed a reply brief on 18 June 2020. On June 29, 2021, the court denied plaintiffs' motion.

Concerning the procedures O'Sullivan: on July 28, 2021, the court stayed the O'Sullivan I action pending a decision in the appeal in a related case, Freeman v. HSBC Holdings, PLC, No. 19-3970 (2d. Cir.). (The O'Sullivan II and Tavera cases had been previously stayed pending that appeal.) On January 20, 2023, the court extended the stay in the O'Sullivan I and O'Sullivan II actions pending a decision in the appeal to the U.S. Supreme Court in Twitter, Inc. v. Taamneh, et al., which involves application of the Anti-Terrorism Act to social media companies. On June 5, 2023, the court extended the stay in the O'Sullivan I and O'Sullivan II actions pending a decision in the appeal to the U.S. Supreme Court of the Second Circuit's decision in Freeman.

In the Tavera case, on January 31, 2023, the parties requested that the court stay the case until after the Supreme Court's decision in the Twitter appeal. The Second Circuit Court of Appeals issued its decision in Freeman on January 5, 2023 and the U.S Supreme Court issued its decision in Twitter on May 18, 2023. On June 20, 2023, the plaintiffs in the Tavera case requested that the court stay the case until after the Supreme Court's decision in Freeman.

Binding agreements

Crédit Agricole Corporate & Investment Bank does not depend on any industrial, commercial or financial patent, license or contract.

5.5. Non compliance risks

The following main changes were made in terms of non-compliance risk management compared to the Universal Registration Document as at 31 December 2022:

- Continued actions to strengthen the AML-FT set-up (support for transposition of the 5th Directive and finalization of the KYC corpus, strengthening of AML-FT monitoring tools);
- Sustained vigilance of the Compliance teams concerning customers and transactions in the context of the Russia/Ukraine crisis and the various publications of sanctions programs;
- Constant attention to the implementation of freezing or blocking of flows or accounts, in accordance with the new sanctions programs and confirmations received from the *Direction Générale du Trésor;*
- Constant consideration of regulatory changes with the continuation of the projects delivery, in particular concerning the Swap Dealer regulation, the application of the MIFID II ESG regulation, the fight against greenwashing as well as transaction reporting diligences;
- Continued strengthening of market abuse monitoring framework including the deployment of new tools and models;
- At CA Indosuez Wealth Management (CAIWM) level, the supervision of the Cross Border Risk Division has been entrusted to the Compliance Department, which is in charge of steering and coordinating Private Banking entities. The Department is now organised around five separate divisions (Financial Compliance and Client Protection, Financial Security, Fraud and Corruption, Steering and Governance, Cross Border Risks), which report to the Head of Compliance of Private Banking.

6. BASEL III PILLAR 3 DISCLOSURES

A summary of key Pillar 3 indicators is presented below in the present Amendment to the Universal Registration Document 2022 of Crédit Agricole CIB. The full Pillar 3 will be presented in a dedicated document which will be disclosed in September 2023.

As of 30 June 2023, Crédit Agricole CIB's phased-in Common Equity Tier 1 (CET1) ratio stood at 11.74%, up +0.14 percentage point compared with 31 December 2022. This change in the first half of 2023 can be mainly explained by the decrease in RWA observed on the semester.

Crédit Agricole CIB has a buffer of 2.84 percentage points between its CET1 ratio and the SREP requirement, set at 8.18%. The fully-loaded CET 1 ratio reached 11.62%.

The phased-in Tier 1 ratio as of 30 June 2023 was 19.04%, up +0.29 percentage point compared with 31 December 2022. The fully-loaded Tier 1 ratio was up +0.34 percentage points compared to 31 December 2022, at 18.92%.

The phased-in Total Capital ratio reached 22.22% at 30 June 2023, up +0.27 percentage point compared with 31 December 2022.

Risk-weighted assets amounted to €138.3 billion as of 30 June 2023 (versus €141.7 billion at 31 December 2022), of which €105.4 billion in credit and counterparty risks (€107.7 billion at 31 December 2022), €10.6 billion in market risks (€11.8 billion at 31 December 2022) and €22.3 billion in operational risks (€22.2 billion at 31 December 2022).

The phased-in leverage ratio stood at 3.78% at end-June 2023 compared to a requirement of 3.00%.

Crédit Agricole CIB's LCR averaged 121% over 12 months at end-June 2023. Credit institutions have been subject to a LCR threshold of 100% since 1 January 2018.

7. OTHER RECENT INFORMATION

7.1. Press releases

The press releases mentioned hereunder can be found on the following website:

- For the CIB of Crédit Agricole CIB Group: www.ca-cib.com/pressroom/news
- For Wealth Management: www.ca-indosuez.com/press

Press release of 4th August 2023

Proposed acquisition of the Belgian bank Degroof Petercam

www.ca-indosuez.com/press/press-releases/proposed-acquisition-of-the-belgian-bank-degroof-petercam

2
CONTENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2023

The condensed interim consolidated financial statements consist of the general framework, the interim consolidated financial statements and the notes to the interim consolidated financial statements.

1. GENERAL FRAMEWORK

1.1. Legal presentation of Crédit Agricole Corporate and Investment Bank

COMPANY NAME:

Crédit Agricole Corporate and Investment Bank

TRADING NAMES:

Crédit Agricole Corporate and Investment Bank - Crédit Agricole CIB – CACIB

ADDRESS OF THE COMPANY'S REGISTERED OFFICE:

12, place des États-Unis
CS 70052
92547 MONTROUGE CEDEX
France

REGISTRATION:

Registered with the Nanterre Trade and Company Registry under number 304 187 701.

NAF CODE:

6419 Z (APE)

LEI CODE:

1VUV7VQFKUOQSJ21A208

LEGAL FORM:

Crédit Agricole Corporate and Investment Bank is a public limited company (Société Anonyme) under French law (with a Board of Directors) governed by the laws and regulations applicable to credit institutions and French public limited companies and by its Articles of Association.

As of December 2011, Crédit Agricole Corporate and Investment Bank is affiliated with Crédit Agricole, within the meaning of the French Monetary and Financial Code (CMF).

SHARE CAPITAL:

EUR 7,851,636,342

CORPORATE PURPOSE (ART. 3 OF THE COMPANY'S ARTICLES OF ASSOCIATION):

The purpose of the Company, in France and abroad, is:

- to enter into any banking transactions and any finance transactions and more particularly:
  - the receipt of funds, the granting of loans, advances, credit, financing, guarantees, carrying out standard collections, payments and the collection of past due amounts;
  - to provide financial advice, particularly regarding financing, debt, subscriptions, issues, investments, acquisitions, disposals, mergers and restructuring operations;
  - the custody, management, purchase, sale, exchange, brokerage, arbitrage of every kind of security, company right, financial products, derivatives, currencies, goods, precious metals and other securities of any kind;
- providing any investment services and related services, within the meaning of the French Monetary and Financial Code and any subsequent text;
- to establish and to participate in any ventures, associations, corporations, by way of subscription, purchase of shares or equity rights, merger or in any other way;
- to enter into commercial, industrial, securities or real estate transactions, directly or indirectly related to any or all of the above purposes or to any similar or connected purposes;
- the foregoing, both on its own behalf and on behalf of third parties or as a partner and in any form whatsoever.

2. CONSOLIDATED FINANCIAL STATEMENTS

2.1. Income statement

In millions of euros	Notes	30.06.2023	30.06.2022
Interest and similar income	4.1	9,616	3,103
Interest and similar expenses	4.1	(7,709)	(1,209)
Fee and commission income	4.2	913	855
Fee and commission expenses	4.2	(489)	(383)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	1,521	1,091
Net gains (losses) on held for trading assets/liabilities		3,502	(2,687)
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss		(1,981)	3,778
Net gains (losses) on financial instruments at fair value through other comprehensive income	4.4	(5)	19
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss		(9)	2
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)		4	17
Net gains (losses) arising from the derecognition of financial assets at amortised cost	4.5	(12)	5
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss		-	-
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss		-	-
Income on other activities	4.6	60	76
Expenses on other activities	4.6	(67)	(46)
Revenues		**3,828**	**3,511**
Operating expenses	4.7	(2,205)	(2,084)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.8	(118)	(117)
Gross operating income		**1,505**	**1,310**
Cost of risk	4.9	(66)	(200)
Operating income		**1,439**	**1,110**
Share of net income (loss) of equity-accounted entities		-	-
Net gains (losses) on other assets	4.10	-	(2)
Change in value of goodwill	6.5	-	-
Pre-tax income		**1,439**	**1,108**
Income tax charge	4.11	(300)	(239)
Net income from discontinued operations		1	1
Net income		**1,140**	**870**
Non-controlling interests		10	4
NET INCOME GROUP SHARE		**1,130**	**866**
Earnings per share (in euros) [1]	6.8	2.74	2.30
Diluted earnings per share (in euros) [1]	6.8	2.74	2.30

[1] *Corresponds to income per share including net income from discontinued operations.*

2.2. Net income and other comprehensive income

In millions of euros	Notes	30.06.2023	30.06.2022
Net income		**1,140**	**870**
Actuarial gains and losses on post-employment benefits	4.12	(10)	155
Other comprehensive income on financial liabilities attributable to changes in own credit risk [1]	4.12	104	777
Other comprehensive income on equity instruments that will not be reclassified to profit or loss [1]	4.12	(13)	(15)
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	4.12	**81**	**917**
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	4.12	**-**	**-**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	4.12	**(26)**	**(233)**
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	4.12	**-**	**-**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	4.12	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	4.12	**55**	**684**
Gains and losses on translation adjustments	4.12	(141)	481
Other comprehensive income on debt instruments that may be reclassified to profit or loss	4.12	3	(8)
Gains and losses on hedging derivative instruments	4.12	168	(1,769)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	4.12	**30**	**(1,296)**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	4.12	**-**	**-**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	4.12	**(45)**	**458**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	4.12	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	4.12	**-**	**-**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	4.12	**(15)**	**(838)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	4.12	**40**	**(154)**
NET INCOME AND OTHER COMPREHENSIVE INCOME		**1,180**	**716**
Of which Group share		1,170	709
Of which non-controlling interests		10	7

[1] Amount of items that will not be reclassified in profit and loss transferred to reserves are detailled in Note 4.12.

2.3. Balance sheet – assets

In millions of euros	Notes	30.06.2023	31.12.2022
Cash, central banks		72,668	78,711
Financial assets at fair value through profit or loss	3.2 - 6.1	342,968	295,492
Financial assets held for trading		342,669	295,043
Other financial instruments at fair value through profit or loss		299	449
Hedging derivative Instruments	3.3	4,222	2,611
Financial assets at fair value through other comprehensive income	3.1 - 3.2 - 6.2	9,724	10,772
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss		9,352	10,436
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss		372	336
Financial assets at amortised cost	3.1 - 3.2 - 6.3	270,691	274,396
Loans and receivables due from credit institutions		65,181	60,494
Loans and receivables due from customers		172,293	179,186
Debt securities		33,217	34,716
Revaluation adjustment on interest rate hedged portfolios		-	-
Current and deferred tax assets		1,518	1,551
Accruals, prepayments and sundry assets		57,618	62,183
Non-current assets held for sale and discontinued operations		-	-
Investments in equity-accounted entities		-	-
Investment property		-	-
Property, plant and equipment		1,112	938
Intangible assets		478	462
Goodwill	6.5	1,090	1,086
TOTAL ASSETS		**762,089**	**728,202**

2.4. Balance sheet – liabilities

In millions of euros	Notes	30.06.2023	31.12.2022
Central banks		27	33
Financial liabilities at fair value through profit or loss	6.1	350,079	303,316
Held for trading financial liabilities		309,422	274,534
Financial liabilities designated at fair value through profit or loss		40,657	28,782
Hedging derivative Instruments	3.3	4,136	5,141
Financial liabilities at amortised cost	6.4	321,159	335,021
Due to credit institutions		76,738	79,781
Due to customers		174,660	186,851
Debt securities		69,761	68,389
Revaluation adjustment on interest rate hedged portfolios		(322)	(368)
Current and deferred tax liabilities		2,112	2,198
Accruals, prepayments and sundry liabilities		50,834	49,268
Liabilities associated with non-current assets held for sale and discontinued operations		-	-
Provisions	6.6	925	922
Subordinated debt	6.7	4,269	4,293
Total Liabilities		**733,219**	**699,824**
Equity		**28,870**	**28,378**
Equity - Group share		**28,748**	**28,255**
Share capital and reserves		19,413	19,413
Consolidated reserves		9,075	7,914
Other comprehensive income		(870)	(910)
Other comprehensive income on discontinued operations		-	-
Net income (loss) for the year		1,130	1,838
Non-controlling interests		**122**	**123**
TOTAL LIABILITIES AND EQUITY		**762,089**	**728,202**

2.5. Statement of changes in equity

	Group share									
	Share and capital reserves					Other comprehensive income				
In millions of euros	Share capital	Share premium and consolidated reserves	Elimination of treasury shares	Other equity instruments	Total capital and consolidated reserves	Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	Total other comprehensive income	Net income	Total equity
Equity at 1st January 2022 published	**7,852**	**11,849**	**-**	**6,561**	**26,262**	**705**	**(567)**	**138**	**-**	**26,400**
Impacts of new accounting standards, IFRIC decisions/ interpretations	-	-	-	-	-	-	-	-	-	-
Equity at 1st January 2022	**7,852**	**11,849**	**-**	**6,561**	**26,262**	**705**	**(567)**	**138**	**-**	**26,400**
Capital increase	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-	-	-	-	-
Issuance / Redemption of equity instruments	-	-	-	1,100	1,100	-	-	-	-	1,100
Remuneration of undated deeply subordinated notes at 1st semester 2022	-	-	-	(196)	(196)	-	-	-	-	(196)
Dividends paid in 1st semester 2022	-	(553)	-	-	(553)	-	-	-	-	(553)
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Changes due to share-based payments	-	-	-	-	-	-	-	-	-	-
Changes due to transactions with shareholders	**-**	**(553)**	**-**	**904**	**351**	**-**	**-**	**-**	**-**	**351**
Changes in other comprehensive income	**-**	**(3)**	**-**	**-**	**(3)**	**(836)**	**679**	**(157)**	**-**	**(160)**
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	-	(2)	-	-	(2)	-	2	2	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-	-	-	-	-
Net income for 1st semester 2022	-	-	-	-	-	-	-	-	866	866
Other variations	-	10	-	-	10	-	-	-	-	10
Equity at 30 june 2022	**7,852**	**11,303**	**-**	**7,465**	**26,620**	**(131)**	**112**	**(19)**	**866**	**27,467**
Capital increase	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-	-	-	-	-
Issuance / Redemption of equity instruments	-	-	-	980	980	-	-	-	-	980
Remuneration of undated deeply subordinated notes at 2nd semester 2022	-	-	-	(267)	(267)	-	-	-	-	(267)
Dividends paid in 2nd semester 2022	-	-	-	-	-	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Changes due to share-based payments	-	2	-	-	2	-	-	-	-	2
Changes due to transactions with shareholders	**-**	**2**	**-**	**713**	**715**	**-**	**-**	**-**	**-**	**715**
Changes in other comprehensive income	**-**	**(16)**	**-**	**-**	**(16)**	**(869)**	**(22)**	**(891)**	**-**	**(907)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(14)	-	-	(14)	-	14	14	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	(2)	-	-	(2)	-	2	2	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-	-	-	-	-
Net income for 2nd semester 2022	-	-	-	-	-	-	-	-	972	972
Other variations	-	8	-	-	8	-	-	-	-	8
Equity at 31 December 2022	**7,852**	**11,297**	**-**	**8,178**	**27,327**	**(1,000)**	**90**	**(910)**	**1,838**	**28,255**
Appropriation of 2022 net income	-	1,838	-	-	1,838	-	-	-	(1,838)	-
Equity at 1st January 2023	**7,852**	**13,135**	**-**	**8,178**	**29,165**	**(1,000)**	**90**	**(910)**	**-**	**28,255**
Impacts of new accounting standards, IFRIC decisions/ interpretations	-	-	-	-	-	-	-	-	-	-
Equity at 1st January 2023 restated	**7,852**	**13,135**	**-**	**8,178**	**29,165**	**(1,000)**	**90**	**(910)**	**-**	**28,255**
Capital increase	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-	-	-	-	-
Issuance / Redemption of equity instruments	-	-	-	-	-	-	-	-	-	-
Remuneration of undated deeply subordinated notes at 1st semester 2023	-	-	-	(334)	(334)	-	-	-	-	(334)
Dividends paid in 1st semester 2023	-	(343)	-	-	(343)	-	-	-	-	(343)
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	-
Changes due to share-based payments	-	-	-	-	-	-	-	-	-	-
Changes due to transactions with shareholders	**-**	**(343)**	**-**	**(334)**	**(677)**	**-**	**-**	**-**	**-**	**(677)**
Changes in other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(15)**	**55**	**40**	**-**	**40**
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	-	2	-	-	2	-	(2)	(2)	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-	-	-	-	-
Net income for 1st semester 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,130**	**1,130**
Other variations	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30 JUNE 2023	**7,852**	**12,792**	**-**	**7,844**	**28,488**	**(1,015)**	**145**	**(870)**	**1,130**	**28,748**

	Non-controlling interests					
		Other comprehensive income				
In millions of euros	Capital, associated reserves and income	Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	Total other comprehensive income	Total equity	Total consolidated equity
Equity at 1st January 2022 published	**122**	**1**	**(3)**	**(2)**	**120**	**26,520**
Impacts of new accounting standards, IFRIC decisions/ interpretations	-	-	-	-	-	-
Equity at 1st January 2022	**122**	**1**	**(3)**	**(2)**	**120**	**26,520**
Capital increase	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-
Issuance / Redemption of equity instruments	-	-	-	-	-	1,100
Remuneration of undated deeply subordinated notes at 1st semester 2022	-	-	-	-	-	(196)
Dividends paid in 1st semester 2022	(8)	-	-	-	(8)	(561)
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	-	-	-	-	-	-
Changes due to transactions with shareholders	**(8)**	**-**	**-**	**-**	**(8)**	**343**
Changes in other comprehensive income	**-**	**(2)**	**5**	**3**	**3**	**(157)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	-	-	-	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	-	-	-	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-
Net income for 1st semester 2022	4	-	-	-	4	870
Other variations	(2)	-	-	-	(2)	8
Equity at 30 june 2022	**116**	**(1)**	**2**	**1**	**117**	**27,584**
Capital increase	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-
Issuance / Redemption of equity instruments	-	-	-	-	-	980
Remuneration of undated deeply subordinated notes at 2nd semester 2022	-	-	-	-	-	(267)
Dividends paid in 2nd semester 2022	-	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	-	-	-	-	-	2
Changes due to transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**715**
Changes in other comprehensive income	**-**	**(1)**	**-**	**(1)**	**(1)**	**(908)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	-	-	-	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	-	-	-	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-
Net income for 2nd semester 2022	5	-	-	-	5	977
Other variations	2	-	-	-	2	10
Equity at 31 December 2022	**123**	**(2)**	**2**	**-**	**123**	**28,378**
Appropriation of 2022 net income	-	-	-	-	-	-
Equity at 1st January 2023	**123**	**(2)**	**2**	**-**	**123**	**28,378**
Impacts of new accounting standards, IFRIC decisions/ interpretations	-	-	-	-	-	-
Equity at 1st January 2023 restated	**123**	**(2)**	**2**	**-**	**123**	**28,378**
Capital increase	-	-	-	-	-	-
Changes in treasury shares held	-	-	-	-	-	-
Issuance / Redemption of equity instruments	-	-	-	-	-	-
Remuneration of undated deeply subordinated notes at 1st semester 2023	-	-	-	-	-	(334)
Dividends paid in 1st semester 2023	(12)	-	-	-	(12)	(355)
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	-	-	-	-	-	-
Changes due to transactions with shareholders	**(12)**	**-**	**-**	**-**	**(12)**	**(689)**
Changes in other comprehensive income	**-**	**-**	**-**	**-**	**-**	**40**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	-	-	-	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	-	-	-	-	-
Share of changes in equity-accounted entities	-	-	-	-	-	-
Net income for 1st semester 2023	**10**	**-**	**-**	**-**	**10**	**1,140**
Other variations	1	-	-	-	1	1
EQUITY AT 30 JUNE 2023	**122**	**(2)**	**2**	**-**	**122**	**28,870**

2.6. Cash flow statement

The cash flow statement is presented using the indirect method.

Operating activities are the Crédit Agricole CIB Group's revenue generating activities.

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

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

Financing activities show the impact of cash inflows and outflows associated with other comprehensive income and long term financing.

Net cash flows attributable to operating, investment and financing activities from discontinued operations are recorded under separate headings in the cash flow statement.

Net cash and cash equivalents include cash, amounts due to and from central banks and demand accounts (assets and liabilities) and loans held with credit institutions.

In millions of euros	Notes	30.06.2023	30.06.2022
Pre-tax income		**1,439**	**1,108**
Net depreciation and impairment of property, plant & equipment and intangible assets		118	117
Impairment of goodwill and other fixed assets	6.5	-	-
Net addition to provisions		132	229
Share of net income (loss) of equity-accounted entities		-	-
Net income (loss) from investment activities		-	4
Net income (loss) from financing activities		189	49
Other movements		453	(2,103)
Total non-cash and other adjustment items included in pre-tax income		**892**	**(1,704)**
Change in interbank items		(6,939)	2,250
Change in customer items		(943)	5,747
Change in financial assets and liabilities		(1,024)	12,458
Change in non-financial assets and liabilities		5,940	(4,335)
Dividends received from equity-accounted entities		-	-
Taxes paid		(421)	(150)
Net change in assets and liabilities used in operating activities		**(3,387)**	**15,970**
Cash provided (used) by discontinued operations		1	-
Total net cash flows from (used by) operating activities (A)		**(1,055)**	**15,374**
Change in equity investments [1]		(32)	(5)
Change in property, plant & equipment and intangible assets		(101)	(91)
Cash provided (used) by discontinued operations		1	-
Total net cash flows from (used by) investing activities (B)		**(132)**	**(96)**
Cash received from (paid to) shareholders [2]		(690)	341
Other cash provided (used) by financing activities [3]		(828)	(788)
Cash provided (used) by discontinued operations		-	-
Total net cash flows from (used by) financing activities (C)		**(1,518)**	**(447)**
Impact of exchange rate changes on cash and cash equivalents (D)		**(3,878)**	**(1,710)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)		**(6,583)**	**13,121**
Cash and cash equivalents at beginning of period		**72,861**	**62,013**
Net cash accounts and accounts with central banks *		78,668	63,840
Net demand loans and deposits with credit institutions **		(5,807)	(1,827)
Cash and cash equivalents at end of period		**66,278**	**75,134**
Net cash accounts and accounts with central banks *		72,627	72,901
Net demand loans and deposits with credit institutions **		(6,349)	2,233
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(6,583)**	**13,121**

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

*** Consisting of the balance of Performing current accounts in debit and Performing overnight accounts and advances as detailed in Note 6.3 and Current accounts in credit and overnight accounts and advances as detailed in Note 6.4 (excluding accrued interest).*

[1] Flows related to equity investments: This line includes net impacts of acquisitions and disposals of consolidated equity investments on cash. These operations are not significant at 30 June 2023.

[2] Cashflows from or for shareholders: For the first semester 2023, this amount includes the payment of Crédit Agricole CIB dividends, especially Crédit Agricole S.A., for -€343 million, and a payment of interest under the AT1 issue of -€334 million.

[3] Other cash provided (used) by financing activities: This line mainly includes the redemption of SNP for -€626 million against Crédit Agricole S.A. London (o/w €100 million early) and the settlement of coupons on AT2 issues for -€104 million.

3. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GROUP ACCOUNTING POLICIES AND PRINCIPLES, JUDGEMENTS AND ESTIMATES APPLIED

Crédit Agricole CIB's condensed interim consolidated financial statements at 30 June 2023 have been prepared and are presented in accordance with IAS 34 "Interim Financial Reporting".

The standards and interpretations used to prepare the interim condensed consolidated financial statements are the same as those used by the Crédit Agricole CIB Group to prepare the consolidated financial statements for the year ended 31 December 2022. Under EC regulation No. 1606/2002, these statements were prepared in accordance with the IAS/IFRS standards and IFRIC interpretations as adopted by the European Union ("carve-out" version), and therefore make use of certain exemptions in the application of IAS 39 for macro-hedge accounting.

The Crédit Agricole Group has chosen to present, in accordance with IAS 34.8, the financial statements related to income and the cash flow statement with a comparative period limited to half-year N-1 for simplification purposes.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 30 June 2023 and that must be applied in 2023 for the first time.

They cover the following:

Standards, amendments or interpretations	Date of first-time application: financial years beginning on or after	Material impact in the Group
IFRS 17 [1] IFRS 17 replace standard IFRS 4 "Insurance contract"	1st January 2023	No
Amendment to IFRS 17 [1] Comparative disclosures to the first joint application of IFRS 17 and IFRS 9	1st January 2023	No
IAS 1 Informations to be provided on accounting policies	1st January 2023	No
IAS 8 Definition of accounting estimates	1st January 2023	No
IAS 12 Deferred tax related to assets and liabilities arising from the same transaction	1st January 2023	No

[1] Because Crédit Agricole CIB has no insurance activity with external clients, IFRS 17 has no impact on Crédit Agricole CIB's consolidated financial statements.

NOTE 2: MAJOR STRUCTURAL TRANSACTIONS AND MATERIAL EVENTS DURING THE PERIOD

2.1 Major structural transactions

At the closing date for the condensed interim consolidated financial statements at 30 June 2023, no material structural transactions took place within the Crédit Agricole CIB Group.

2.2 Information on the scope of consolidation at 30 June 2023

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

Crédit Agricole CIB's scope of consolidation was not significantly changed compared to the scope of consolidation at 31 December 2022, with the exception of the following items:

▶ Change in scope that led to a modification of the consolidation scope or method:

Consolidation scope – Crédit Agricole CIB Group	Modifi-cation of scope (a)	Location	Registered office if dif-ferent from location	Type of entity and nature of control	Consolidation method at 30 June 2023	% control		% interest	
						30.06.2023	31.12.2022	30.06.2023	31.12.2022
Branches									
Crédit Agricole CIB (Denmark)	E2	Denmark	France	Branch	full consolidation	100	-	100	-
Miscellaneous									
CA-CIB Pension Limited Partnership	S1	United Kingdom		Controlled structured entity	full consolidation	-	100	-	100
Demeter Compartiment JA 2022	E2	France		Controlled structured entity	full consolidation	100	-	-	-
Demeter Compartiment TS EU	E2	France		Controlled structured entity	full consolidation	100	-	-	-
Demeter Compartiment GL 2023	E2	France		Controlled structured entity	full consolidation	100	-	-	-

(a) Modification of scope
Inclusions (E) into the scope of consolidation:
E1: Breach of threshold
E2: Creation
E3: Acquisition (including controlling interests)
Removal (S) from the scope:
S1: Discontinuation of business (including dissolution and liquidation)
S2: Sale to non-Group companies or deconsolidation following loss of control
S3: Deconsolidated due to non-materiality
S4: Merger or takeover
S5: Transfer of all assets and liabilities

Other (D):
D1: Change of company name
D2: Change of consolidation method
D3: Entity newly included in the Note on the scope of consolidation
D4: Entity classified under Non-current assets held for sale and discontinued operation

2.3 Other significant events during the period

IMPACTS OF MILITARY OPERATIONS IN UKRAINE

At the end of February 2022, tensions between Russia and Ukraine led to a military conflict, of which the magnitude and duration, nearly a year later, as well as its economic and financial impacts, remain highly uncertain.

The Crédit Agricole CIB Group has stopped all new financing to Russian and all commercial activities in the country since the start of the conflict. However, the Group is exposed directly and indirectly in Russia due to activities that predate the start of the conflict and has booked provisions on performing loans in the first quarter of 2022, in accordance with IFRS.

The exposures recognised in the subsidiary CACIB AO (onshore exposures) represented the equivalent of €0.2 billion at 30 June 2023 compared with €0.5 billion at 31 December 2021, with the change over the period due to a gradual decline in outstandings, particularly deposits with the Central Bank of Russia. The subsidiary's equity amounted to approximately €144 million, of which approximately €64 million in equity and €80 million in subordinated debt at 30 June 2023 (the amount of equity remained stable overall since 31 December 2022).

Exposures recognised outside CACIB AO (offshore exposures)[1] represented the equivalent of €2.3 billion at 30 June 2023 (including

(1) Commercial commitments on the balance sheet and off-balance sheet commitments of customers and banks, net of export credit guarantees, excluding variation risk.

€2.3 billion recorded on the balance sheet[1]). They decreased by -€0.6 billion compared with 31 December 2022 and -€2.3 billion since the start of the conflict at the end of February 2022. The off-balance sheet portion of offshore exposures (documentary loans, financial guarantees and, to a lesser extent, undrawn confirmed credit facilities) amounted to €0.1 billion at 30 June 2023, down significantly by -€1.5 billion since the outbreak of the conflict.

In the context of the ongoing conflict and the resulting international sanctions, the portfolio continues to be subject to tighter supervision and exposures continue to decline gradually as reimbursements are recorded in strict compliance with international sanctions. As such, from the first quarter of 2022, at the beginning of the conflict, exposures were subject to significant provisioning, mainly on performing exposures. This provisioning is then updated throughout each quarter. Overall, the cost of risk for first half year 2023 relating to Russian exposures reached €7.7 million, of which €4.3 million related to performing exposures (Stages 1&2) and €3.4 million to specific exposures (Stage 3). The total amount of provisions on Russian exposures reached €502 million at 30 June 2023.

Indosuez Wealth Management's Russian exposure represented the equivalent of €152 million at 30 June 2023, decreasing since 31 December 2022 (equivalent to €220 million).

Variation risk [2] related to derivatives transactions is now nil at 30 June 2023 (versus €60 million at 31 December 2021).

In total, these exposures, of limited size (0.6% of Crédit Agricole CIB total exposures as of 30 June 2023), continue to be closely monitored.

PILAR 2 – GLOBE

New international tax rules have been established by the OECD, aimed at subjecting major international groups to additional taxation when the effective tax rate (EIR) of the jurisdiction in which they are located is less than 15%. The purpose of these rules is to combat competition between countries based on the tax rate.

These rules must be transposed by the various countries.

To date, within the EU, a European Directive was adopted at the end of 2022 (currently being transposed in the individual countries), defining 2024 as the first financial year for the application of GloBE rules in the EU. At this stage, the information cannot be reasonably estimated; data collection efforts have been initiated within the Group. This will result in the recognition of an additional GloBE tax in the Group's financial statements in 2024.

2

NOTE 3: CREDIT RISK AND HEDGING TRANSACTIONS

3.1 Value adjustments for losses during the period

(See "Activity report - Risk Management")

CREDIT RISK MEASUREMENT

In order to take into account any changes in the economic environment, the Group updated its forward-looking macroeconomic projections for determination of the credit risk estimate for the end of the second quarter of 2023.

Information on the macroeconomic scenarios used in the second quarter of 2023:

The Group used four scenarios for calculating IFRS 9 provisioning parameters in production on June 2023 with the following projections for 2026.

These four scenarios include different assumptions about the effects of the Covid-19 crisis and the effects of the Russian-Ukrainian conflict and its repercussions on the economy (rising inflation, downward revision of GDP growth).

First scenario: "Central" scenario

The central scenario remains characterised by the escalation of the Russia-Ukraine war and a still seemingly distant peace outcome. This scenario sees a drop in eurozone inflation in 2023, which will nevertheless remain high, a very marked slowdown in the economy and continued monetary tightening.

Lower inflation but still at a high level in the eurozone:

Eurozone inflation peaked in October 2022 (+10.6%) and has dropped gradually since, while remaining at a still high level (9.6% in Q1-2023). Supply difficulties have eased since China ended its zero-Covid policy and world trade got back to normal. Favourable base effects for energy prices, a drop in market energy prices at the start of 2023 as well as a milder winter and high gas inventories also put favourable downwards pressure on inflation. In 2023-2024, energy prices remain high but are nevertheless contained. The oil price works out at $98/b and $103/b, respectively (yearly average), and gas at €75/MWh and €90/MWh. Wages grow more rapidly than usual, but without triggering a wage-price spiral. Eurozone inflation (HICP) is expected at 5.9% (on average) in 2023 and 3.7% at the end of the year. In France, the CPI is expected at 5.4% on average in 2023 and 5.1% at the end of the year. The price cap has enabled France to smooth the rise in energy prices over time, but the drop in inflation is more gradual than elsewhere.

This environment propels the eurozone into a low growth regime. The supply effect is waning but there is a marked slowdown in demand, impacted by the high inflation and the reduction in fiscal support measures, while the higher interest rates penalise lending. Corporate margins deteriorate under the combined effect of the rise in production costs, wages, and lower demand, which weighs somewhat on investment. There is a decline in household purchasing power due to the persistent inflation and reduced support measures. The labour market remains solid but employment growth slows nevertheless. The residential and commercial real estate markets undergo significant corrections, as a result of the rise in interest rates increasing the cost of credit.

Growth is set to be very moderate, at +0.6% for both the eurozone and France in 2023, with the expected recovery not starting until H2, and then only to a fairly limited extent.

The fight against inflation remains the priority of the central banks

The central banks continue to implement a restrictive monetary policy in order to significantly curb inflation, at the risk of hampering

(1) Used part of the credit facilities.
(2) Variation risk corresponds to the Amount at Risk or immediate loss in the event of default, including any margin calls.

growth. They nevertheless do not exclude the use of specific tools to ensure the refinancing of the banking system in the event of difficulties.

In the United States, the Fed raises its rates by 25 basis points to bring its target range to 5.00-5.25% then maintains this terminal rate up to the end of 2023. Rates are expected to start coming back down in 2024 with a gradual 100 bp cut over the year (25 bp each quarter). The rise in long-term rates peaks in summer 2023 before starting on a slow decline in the second half of 2023, characterised by a steepening of the curve that will become sharper in 2024.

In the eurozone, the monetary tightening intensifies with the refinancing rate raised to 4.25% before the summer and maintained at this level until mid-2024. The first cuts will not come until the second half of 2024, ending with a rate of 3.75% at the end of 2024. Long-term rates will continue to rise more sharply at the short end of the yield curve (2-year swap) between now and the end of 2023, with a gradual flattening of the curve. The spreads of "semi-core" or peripheral countries widen only slightly despite the rise in rates and the quantitative tightening. From the second half of 2023 then in 2024, long-term rates drop gradually but the profile of the curve remains inverted and sovereign spreads to the Bund narrow slightly.

Second scenario: "Moderate adverse" scenario

This scenario includes a new marked rebound in energy prices over a concentrated period between the second half of 2022 and the first half of 2023.

Triggering of the crisis: A significantly stronger recovery of activity in China is assumed, consisting of an acceleration in consumption, investment and exports. The US economy is also more dynamic than in the central scenario. More difficult climate conditions with a harsher winter in 2024 and a hotter summer in 2023 result in greater electricity demand. The competition between Asia and Europe on LNG demand intensifies, putting pressure on oil and gas prices, notably in Europe.

Another inflation shock:

Oil and gas prices rise significantly compared to the start of 2023. The difficulties of the French nuclear industry continue and increase the pressure on gas prices that is passed on to electricity prices. Second-round effect on inflation, which returns to high levels at the end of 2023 and beginning of 2024.

Very weak growth in 2023-2024, with a technical recession

The rebound of energy prices weakens production once again, in particular the most energy-consuming sectors. Corporate margins are squeezed by the rise in costs and weakness of demand, leading to a stagnation of investment. Household purchasing power declines sharply and employment is lower in comparison to the central scenario. The eurozone GDP is close to zero on average in 2023 and 2024, even slightly negative in some countries. It seems likely that there will be a technical recession.

Further monetary tightening by the ECB to stop inflation

The ECB raises its refinancing rate a little more (+125 bp in 2023) than in the central scenario (+75 bp). The easing of inflation in 2024 allows for a limited cut of 50 bp. The normalisation process does not really start until 2025 and takes place gradually up to 2026. Long-term rates rise rapidly in 2023 in reaction to the previous price shock, which sparks fears over the consequences on the inflation outcome. Sovereign rates rise and risk premiums widen. With the drop in inflation, long-term rates fall sharply in 2024 and continue their normalisation in the following two years but nevertheless remain higher than those of the central scenario.

Third scenario: "Favourable" scenario

In this scenario, it is assumed that the economic situation in the eurozone will be more favourable than in the central scenario from the second half of 2023. Oil and gas prices are not as high in 2023-2024 due to better climate conditions, greater energy sobriety and less competition in LNG with Asia. In addition, massive investment plans in Europe support activity from 2024.

In the eurozone, inflation is brought back to 2.5% on average in 2024 and around 2% in 2025-2026. Household and business expectations pick up under the effect of an improvement in purchasing power and consumption that comes with greater use of the excess savings accumulated during 2020-2021. The improvement in confidence, the drop in energy costs and measures to stimulate public and private investment lead to a recovery in investment spending from 2024.

Financial changes

The ECB starts with a timid decrease in its key rates at the end of 2023 and continues with bigger cuts in 2024. Long-term rates decrease at the end of 2023 in anticipation of lower inflation and key rates. The yield on the Bund and 10-yr swap gradually trend downwards to settle at levels slighter lower than in the central scenario. French and Italian spreads are slightly more moderate than in the central scenario. The stock market and real estate markets continue to trend upwards.

Fourth scenario: "Severe adverse" scenario: budgetary stress (drawn up in July 2022)

A new accumulation of shocks in 2023: The Russia-Ukraine war drags on with tougher sanctions on Russia (total stop on oil imports and massive reduction of gas imports). Stronger support for Russia from China pushes the United States and the eurozone to place sanctions on China (embargo on high technology products), which responds with retaliatory trade sanctions. Moreover, winter is harsh in Q1-2023, penalising the agriculture and agri-food sector. In addition, France experiences a specific crisis, with major protests against certain reforms (retirement reform and financing the energy transition through higher taxes) and very marked social conflicts such as the yellow vests crisis, bringing the country to a standstill. Italy is also shaken by a political crisis, with the victory of the right-wing coalition in 2023, challenging the European treaties and leading to a stand-off with the European Commission.

Persistent inflationary shock in 2023: the pressure on energy prices continues and intensifies for both oil and gas. Europe is unable to fully offset the shortfall in gas supply with greater sobriety and/or other suppliers, unless at much higher prices (sharp rise in gas prices). Food prices are also under major pressure. The inflationary process at work in 2022 in the "central" scenario is repeated in 2023 in this "stress" scenario. Inflation is very high in 2023 in the eurozone, at around 8% on average, and is the same in France.

Weak fiscal response: the European governments react to this new inflation shock with more limited support measures (wishing to avoid new budget gaps) and do not provide a coordinated response (like the EU recovery plan). In France, the price cap scheme is reduced and more targeted.

Strong response from the central banks and upwards pressure on long-term rates

The Fed and the ECB continue their monetary tightening in 2023 in a more accentuated manner than in the central scenario in the face of higher and more lasting inflation. The ECB raises rates rather significantly in 2023 (deposit rate at 2.75% and refi at 3.25% at the end of 2023). Long-term rates rise faster in the face of the risk of an inflationary spiral (10-year swap rate at 3.25% and Bund at 2.75%). The spreads in France and Italy widen more significantly in 2023 due to fears over the sustainability of their debt and specific crises in these two countries (OAT Bund spread at 185 bp and BTP Bund at 360 bp).

Recession in the eurozone in 2023

Cumulative shocks (production penalised by the rise in production costs, the disruption of value chains and shortage problems in certain sectors, decline in corporate profits and household purchasing power) leads the eurozone into recession in 2023 (drop in GDP of 1.5%) with a marked increase in the unemployment rate. The stock markets record substantial declines (-35% for the CAC in 2023) and residential real estate contracts (between -10% and -20% cumulatively over three years) while commercial real estate is hit harder (cumulative -30%) in France and Italy due to the sharp rise in rates and recession underway.

By assumption, the stress is concentrated in 2023, and a gradual recovery takes place in 2024-2025 with a "normalisation" at the end of the period.

There is a lull in the Ukraine conflict, a decline in energy prices and drop in interest rates, improving the growth outlook for 2024 and 2025, especially with a less restrictive fiscal policy in order to stem the recessive spiral.

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

	Ref.	Central scenario				Moderate adverse				Budgetary stress				Favourable			
	2022	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
GDP – Eurozone	3.5	0.6	1.2	1.1	1.1	-0.2	-0.1	1.1	1.2	-1.5	1.7	1.6	1.3	0.8	1.9	1.6	1.4
Unemployment rate – Eurozone	6.8	6.9	7.0	6.9	6.9	7.2	7.5	7.3	7.2	8.1	7.7	7.5	7.4	6.8	6.7	6.4	6.3
Inflation rate – Eurozone	8.4	5.9	3.2	2.3	2.2	7.2	4.1	2.5	2.0	8.0	2.4	1.8	1.8	5.4	2.5	2.0	1.8
GDP – France	2.6	0.6	1.1	1.2	1.0	0.1	-0.1	1.0	1.4	-1.6	2.0	1.8	1.4	1.0	2.4	2.4	2.1
Unemployment rate – France	7.3	7.5	7.7	8.0	8.0	7.9	8.3	8.5	8.3	8.6	8.9	8.2	8.0	7.2	7.0	6.7	6.5
Inflation rate – France	5.2	5.4	3.2	2.3	2.0	6.4	4.7	2.4	1.8	7.5	1.5	1.6	1.6	4.7	2.6	1.9	1.6
10-year OAT	3.1	3.3	3.0	2.8	2.6	4.1	3.3	3.0	2.8	4.6	2.0	1.8	1.8	3.1	2.7	2.5	2.3

At the end of June 2023, 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 (provisions for proven risks) represented 31% and 69% of hedging inventories for the Crédit Agricole CIB Group.

At the end of June 2023, net reversals to Stage 1/Stage 2 provisions amounted to +€39 million represented -59% of the Crédit Agricole CIB Group's half-yearly cost of risk compared to an amount of -€105 million, represented 159%, for the Stage 3 share of proven risks and other provisions, based on a presentation excluding restated exceptional items.

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

The central scenario is currently weighted at 50% for the calculation of the central IFRS 9 ECL of the second quarter of 2023.

Scope: Crédit Agricole CIB Group:

Variation of ECL of passage to 100% of the scenario (scope is Crédit Agricole CIB Group)			
Central scenario	Moderate adverse	Severe adverse	Favourable scenario
-0.3%	+0.6%	+0.8%	-1.8%

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

VALUE ADJUSTMENTS FOR LOSSES DURING THE PERIOD

Value adjustments for losses consist of asset impairments and provisions for off-balance sheet commitments recognised in net income ("Cost of risk") relating to credit risk.

The following tables present a comparison of the opening and closing balances of the value adjustments for losses recognised in Cost of risk, by accounting category and type of instrument.

▶ Financial assets at amortised cost: Debt instruments

	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 2022	**34,703**	**(6)**	**19**	**-**	**23**	**(23)**	**34,745**	**(29)**	**34,716**
Transfers between Stages during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Transfers from Stage 1 to Stage 2	-	-	-	-			-	-	
Return from Stage 2 to Stage 1	-	-	-	-			-	-	
Transfers to Stage 3 [1]	-	-	-	-	-	-	-	-	
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-	
Total after transfers	**34,703**	**(6)**	**19**	**-**	**23**	**(23)**	**34,745**	**(29)**	**34,716**
Changes in gross carrying amounts and loss allowances	**(1,541)**	**-**	**11**	**-**	**-**	**-**	**(1,530)**	**-**	
New production : purchase, granting, origination,… [2]	16,108	(5)	16	-			16,124	(5)	
Derecognition : disposal, repayment, maturity...	(17,114)	5	(5)	-	-	-	(17,119)	5	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	
Changes in models' credit risk parameters during the period		1		-		-		1	
Changes in model / methodology		-		-		-		-	
Changes in scope	-	-	-	-	-	-	-	-	
Other	(535)	(1)	-	-	-	-	(535)	(1)	
Total	**33,162**	**(6)**	**30**	**-**	**23**	**(23)**	**33,215**	**(29)**	**33,186**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	31		-		-		31		
Balance at 30 June 2023	**33,193**	**(6)**	**30**	**-**	**23**	**(23)**	**33,246**	**(29)**	**33,217**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

[1] Transfers to Stage 3 correspond to stocks initially classified in Stage 1, which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year.

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

[3] Includes the variations of fair value adjustments of micro-hedged instruments, the variations relating to the use of the EIR method (notably the amortisation of premiums/ discounts), the variations of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), and the variations of changes in related receivables.

▶ 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 2022	**60,323**	**(7)**	**89**	**(19)**	**491**	**(383)**	**60,903**	**(409)**	**60,494**
Transfers between Stages during the period	**1**	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**	
Transfers from Stage 1 to Stage 2	-	-	-	-			-	-	
Return from Stage 2 to Stage 1	1	-	(1)	-			-	-	
Transfers to Stage 3 [1]	-	-	-	-	-	-	-	-	
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-	
Total after transfers	**60,324**	**(7)**	**88**	**(19)**	**491**	**(383)**	**60,903**	**(409)**	**60,494**
Changes in gross carrying amounts and loss allowances	**4,687**	**(2)**	**46**	**7**	**(9)**	**6**	**4,724**	**11**	
New production : purchase, granting, origination,… [2]	42,584	(16)	190	-			42,774	(16)	
Derecognition : disposal, repayment, maturity...	(37,979)	3	(129)	10	-	-	(38,108)	13	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	
Changes in models' credit risk parameters during the period		10		(6)		-		4	
Changes in model / methodology		-		-		-		-	
Changes in scope	-	-	-	-	-	-	-	-	
Other	82	1	(15)	3	(9)	6	58	10	
Total	**65,011**	**(9)**	**134**	**(12)**	**482**	**(377)**	**65,627**	**(398)**	**65,229**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	(48)		-		-		(48)		
Balance at 30 June 2023	**64,963**	**(9)**	**134**	**(12)**	**482**	**(377)**	**65,579**	**(398)**	**65,181**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

[1] Transfers to Stage 3 correspond to stocks initially classified in Stage 1, which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year.
[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.
[3] Includes the variations of fair value adjustments of micro-hedged instruments, the variations relating to the use of the EIR method (notably the amortisation of premiums/ discounts), the variations of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), and the variations of changes in related receivables.

▶ 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 2022	**158,643**	**(197)**	**18,683**	**(720)**	**4,845**	**(2,068)**	**182,171**	**(2,985)**	**179,186**
Transfers between Stages during the period	**534**	**(23)**	**(658)**	**19**	**124**	**(25)**	**-**	**(29)**	
Transfers from Stage 1 to Stage 2	(1,772)	2	1,772	(12)			-	(10)	
Return from Stage 2 to Stage 1	2,421	(15)	(2,421)	19			-	4	
Transfers to Stage 3 [1]	(179)	2	(239)	20	418	(57)	-	(35)	
Return from Stage 3 to Stage 2 / Stage 1	64	(12)	230	(8)	(294)	32	-	12	
Total after transfers	**159,177**	**(220)**	**18,025**	**(701)**	**4,969**	**(2,093)**	**182,171**	**(3,014)**	**179,157**
Changes in gross carrying amounts and loss allowances	**(3,193)**	**9**	**(3,229)**	**33**	**(845)**	**130**	**(7,267)**	**172**	
New production : purchase, granting, origination, renegociation… [2]	73,282	(218)	2,425	(360)			75,707	(578)	
Derecognition : disposal, repayment, maturity...	(74,880)	221	(5,444)	383	(589)	49	(80,913)	653	
Write-offs					(203)	202	(203)	202	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	
Changes in models' credit risk parameters during the period		(1)		46		(152)		(107)	
Changes in model / methodology		-		(35)		-		(35)	
Changes in scope	-	-	-	-	-	-	-	-	
Other	(1,595)	7	(210)	(1)	(53)	31	(1,858)	37	
Total	**155,984**	**(211)**	**14,796**	**(668)**	**4,124**	**(1,963)**	**174,904**	**(2,842)**	**172,062**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	8		(2)		225		231		
Balance at 30 June 2023	**155,992**	**(211)**	**14,794**	**(668)**	**4,349**	**(1,963)**	**175,135**	**(2,842)**	**172,293**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

[1] Transfers to Stage 3 correspond to stocks initially classified in Stage 1, which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year.
[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.
[3] Includes the variations of fair value adjustments of micro-hedged instruments, the variations relating to the use of the EIR method (notably the amortisation of premiums/ discounts), the variations of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), and the variations of changes in related receivables.

▶ Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss: debt instruments

	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	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance
Balance at 31 December 2022	**10,436**	**(5)**	**-**	**-**	**-**	**(3)**	**10,436**	**(8)**
Transfers between Stages during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers from Stage 1 to Stage 2	-	-	-	-			-	-
Return from Stage 2 to Stage 1	-	-	-	-			-	-
Transfers to Stage 3 [1]	-	-	-	-	-	-	-	-
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-
Total after transfers	**10,436**	**(5)**	**-**	**-**	**-**	**(3)**	**10,436**	**(8)**
Changes in gross carrying amounts and loss allowances	**(1,085)**	**(1)**	**-**	**-**	**-**	**-**	**(1,085)**	**(1)**
Fair value revaluation during the period	97		-		-		97	
New production : purchase, granting, origination,… [2]	4,306	(3)	-	-			4,306	(3)
Derecognition : disposal, repayment, maturity...	(5,272)	2	-	-	-	-	(5,272)	2
Write-offs					-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-
Changes in models' credit risk parameters during the period		-		-		-		-
Changes in model / methodology		-		-		-		-
Changes in scope	-	-	-	-	-	-	-	-
Other	(216)	-	-	-	-	-	(216)	-
Total	**9,351**	**(6)**	**-**	**-**	**-**	**(3)**	**9,351**	**(9)**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	1		-		-		1	
Balance at 30 June 2023	**9,352**	**(6)**	**-**	**-**	**-**	**(3)**	**9,352**	**(9)**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-	

[1] Transfers to Stage 3 correspond to commitments initially classified in Stage 1,which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year.
[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.
[3] Includes impacts related to the use of the EIR method (notably the amortisation of premiums/ discounts).

▶ Financing commitments

	Performing commitments				Provisioned commitments (Stage 3)		Total		
	Commitments subject to 12-month ECL (Stage 1)		Commitments subject to lifetime ECL (Stage 2)						
In millions of euros	Amount of commit-ment	Loss allowance	Amount of commit-ment	Loss allowance	Amount of commit-ment	Loss allowance	Amount of commit-ment (a)	Loss allowance (b)	Net amount of com-mitment (a) + (b)
Balance at 31 December 2022	**124,675**	**(121)**	**6,245**	**(169)**	**151**	**(13)**	**131,071**	**(303)**	**130,768**
Transfers between Stages during the period	**(133)**	**(5)**	**(56)**	**1**	**189**	**(8)**	-	**(12)**	
Transfers from Stage 1 to Stage 2	(645)	2	645	(15)			-	(13)	
Return from Stage 2 to Stage 1	572	(8)	(572)	14			-	6	
Transfers to Stage 3 [1]	(60)	1	(144)	3	204	(13)	-	(9)	
Return from Stage 3 to Stage 2 / Stage 1	-	-	15	(1)	(15)	5	-	4	
Total after transfers	**124,542**	**(126)**	**6,189**	**(168)**	**340**	**(21)**	**131,071**	**(315)**	**130,756**
Changes in commitments and loss allowances	**(1,626)**	**5**	**(850)**	**11**	**(111)**	**6**	**(2,587)**	**22**	
New commitments given [2]	47,158	(112)	1,044	(114)			48,202	(226)	
End of commitments	(45,389)	112	(1,814)	123	(61)	8	(47,264)	243	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	
Changes in models' credit risk parameters during the period		6		4		(2)		8	
Changes in model / methodology		-		(12)		-		(12)	
Changes in scope	-	-	-	-	-	-	-	-	
Other	(3,395)	(1)	(80)	10	(50)	-	(3,525)	9	
Balance at 30 June 2023	**122,916**	**(121)**	**5,339**	**(157)**	**229**	**(15)**	**128,484**	**(293)**	**128,191**

[1] Transfers to Stage 3 correspond to commitments initially classified in Stage 1,which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year.
[2] New commitments in Stage 2 could include some originated commitments in Stage 1 reclassified in Stage 2 during the period.

Guarantee commitments

	Performing commitments				Provisioned commitments (Stage 3)		Total		
	Commitments subject to 12-month ECL (Stage 1)		Commitments subject to lifetime ECL (Stage 2)						
In millions of euros	Amount of commit-ment	Loss allowance	Amount of commit-ment	Loss allowance	Amount of commit-ment	Loss allowance	Amount of commit-ment (a)	Loss allowance (b)	Net amount of com-mitment (a) + (b)
Balance at 31 December 2022	**75,259**	**(17)**	**3,576**	**(19)**	**527**	**(101)**	**79,362**	**(137)**	**79,225**
Transfers between Stages during the period	**(455)**	**-**	**345**	**2**	**110**	**(2)**	**-**	**-**	
Transfers from Stage 1 to Stage 2	(935)	-	935	(1)			-	(1)	
Return from Stage 2 to Stage 1	551	(1)	(551)	2			-	1	
Transfers to Stage 3 [1]	(71)	1	(39)	1	110	(2)	-	-	
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-	
Total after transfers	**74,804**	**(17)**	**3,921**	**(17)**	**637**	**(103)**	**79,362**	**(137)**	**79,225**
Changes in commitments and loss allowances	**2,771**	**1**	**(305)**	**1**	**(46)**	**(23)**	**2,420**	**(21)**	
New commitments given [2]	52,041	(17)	834	(15)			52,875	(32)	
End of commitments	(48,465)	18	(1,085)	13	(36)	11	(49,586)	42	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	
Changes in models' credit risk parameters during the period		-		4		(36)		(32)	
Changes in model / methodology		-		(2)		-		(2)	
Changes in scope	-	-	-	-	-	-	-	-	
Other	(805)	-	(54)	1	(10)	2	(869)	3	
Balance at 30 June 2023	**77,575**	**(16)**	**3,616**	**(16)**	**591**	**(126)**	**81,782**	**(158)**	**81,624**

[1] Transfers to Stage 3 correspond to commitments initially classified in Stage 1,which were directly declassified to Stage 3, or to Stage 2 then Stage 3, over the course of the year.
[2] New commitments in Stage 2 could include some originated commitments in Stage 1 reclassified in Stage 2 during the period.

3.2 Exposure to sovereign risk

The scope of the sovereign exposures recorded includes exposures to government debt and excludes local authority debt. Tax debt is excluded from the scope.

The sovereign debt exposure is equal to the exposure net of impairment (carrying amount) presented both gross and net of hedging.

Crédit Agricole CIB's sovereign risk exposure is as follows :

BANKING ACTIVITY

▶ Exposures Banking activity net of impairment

	30.06.2023						
	Other financial instruments at fair value through profit or loss						
In millions of euros	Held-for-trading financial assets	Other financial instruments at fair value through profit or loss	Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
Germany	-	-	-	-	-	-	-
Saudi Arabia	-	-	-	355	355	-	355
Austria	-	-	-	-	-	-	-
Belgium	-	-	-	155	155	(14)	141
Brazil	26	-	175	87	288	-	288
China	202	-	-	483	685	-	685
Egypt	-	-	-	344	344	-	344
Spain	-	-	-	-	-	-	-
United States	3,959	-	42	635	4,636	(92)	4,544
France	-	-	-	944	944	(40)	904
Hong Kong	49	-	-	1,294	1,343	(11)	1,332
Italy	-	-	-	-	-	-	-
Japan	81	-	855	956	1,892	-	1,892
Poland	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-
Taiwan	-	-	9	59	68	-	68
Turkey	-	-	-	-	-	-	-
Ukraine	-	-	-	87	87	-	87
Other sovereign countries	2,038	-	752	5,595	8,385	(6)	8,379
TOTAL	**6,355**	**-**	**1,833**	**10,994**	**19,182**	**(163)**	**19,019**

	31.12.2022						
	Other financial instruments at fair value through profit or loss						
In millions of euros	Held-for-trading financial assets	Other financial instruments at fair value through profit or loss	Financial assets at fair value through other comprehen-sive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
Germany	-	-	-	-	-	-	-
Saudi Arabia	-	-	-	1,337	1,337	-	1,337
Austria	-	-	-	-	-	-	-
Belgium	-	-	-	113	113	(17)	96
Brazil	21	-	203	103	327	-	327
China	152	-	-	329	481	-	481
Egypt	-	-	-	369	369	-	369
Spain	-	-	-	-	-	-	-
United States	827	-	43	641	1,511	(98)	1,413
France	-	-	-	793	793	(43)	750
Hong Kong	44	-	-	1,347	1,391	(12)	1,379
Italy	-	-	-	-	-	-	-
Japan	226	-	744	1,273	2,243	(9)	2,234
Poland	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-
Taiwan	-	-	9	-	9	-	9
Turkey	-	-	-	-	-	-	-
Ukraine	-	-	-	97	97	-	97
Other sovereign countries	897	-	761	5,478	7,136	-	7,136
TOTAL	**2,167**	**-**	**1,760**	**11,880**	**15,807**	**(179)**	**15,628**

3.3 Hedge accounting

As specified in our notes to the consolidated financial statements at 31 December 2022, Crédit Agricole CIB implements various types of hedging transactions:

- **Fair value hedges:** fair value hedges modify the risk arising from changes in the fair value of a financial instrument.
- **Cash flow hedges:** cash flow hedges modify the risk inherent in the cash flow variability associated with financial instruments or highly probably future transactions.
- **Net investment hedges in a foreign operation:** net investment hedges in a foreign operation modify the risk inherent in exchange rate fluctuations associated with foreign-currency equity investments in subsidiaries.

At 30 June 2023, the fair value of hedging derivatives amounted to €4,222 million in assets and €4,136 million in liabilities (versus €2,611 million and €5,141 million at 31 December 2022, respectively). These hedges are fair value hedges for: €2,278 million in assets and €1,210 million in liabilities (versus €2,164 million and 1,572 million, respectively, at 31 December 2022) and 96.67% of the notional amount of hedging derivatives, and cash flow hedges for: €1,792 million in assets and €2,813 million in liabilities (versus €330 million and €3,496 million respectively at 31 December 2022).

Fair value hedging derivatives are mainly used to hedge against interest rate risk. These hedges modify the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. These hedges transform fixed-rate assets or liabilities into floating-rate items. Fair value-hedged items mainly include fixed-rate loans, securities, deposits and subordinated debt.

2

	30.06.2023				31.12.2022			
	Carrying amount		Changes in fair value during the period (of which end of hedges during the period)	Notional Amount	Carrying amount		Changes in fair value during the period (of which end of hedges during the period)	Notional Amount
In millions of euros	Assets	Liabilities			Assets	Liabilities		
Fair value hedges								
Organised markets and over the counter markets	**2,269**	**832**	**250**	**108,998**	**2,161**	**1,162**	**1,144**	**96,724**
Interest rate	2,027	736	(193)	90,222	2,091	655	1,752	76,754
Foreign exchange	242	96	443	18,776	70	507	(608)	19,970
Other	-	-	-	-	-	-	-	-
Total Fair value microhedging	**2,269**	**832**	**250**	**108,998**	**2,161**	**1,162**	**1,144**	**96,724**
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	9	378	36	5,054	3	410	(369)	5,688
TOTAL FAIR VALUE HEDGES	**2,278**	**1,210**	**286**	**114,052**	**2,164**	**1,572**	**775**	**102,412**

Changes in the fair value of hedging derivatives are recorded under "Net gains (losses) on financial instruments at fair value through profit or loss" in the income statement.

The fair value of hedged portions of micro-fair value-hedged financial instruments is recognised under the balance sheet item to which it belongs. Changes in the fair value of the hedged portions of micro-fair value-hedged financial instruments are recognised under "Net gains (losses) on financial instruments at fair value through profit or loss" in the income statement.

The fair value hedged portions of macro-fair value-hedged financial instruments is recognised under "Revaluation adjustment on interest rate-hedged portfolios" in the balance sheet. Changes in the fair value of the hedged portions of macro-fair value-hedged financial instruments are recognised under "Net gains (losses) on financial instruments at fair value through profit or loss" in the income statement.

Income from hedge accounting recorded in the income statement is detailed in Note 4.3 to these financial statements, in particular the effects of hedge ineffectiveness, which amounted to -€3 million at 30 June 2023 (versus €0 million at 30 June 2022), o/w -€3 million for micro-hedging and €0 million for macro-hedging.

Note that the revaluation difference on interest rate risk-hedged portfolios amounted to €0 million in assets and -€322 million in liabilities at 30 June 2023 (versus €0 million and -€368 million, respectively, at 31 December 2022). The change in the revaluation difference is mainly related to the change in the interest rate environment observed during 1st semester 2023, resulting in an adjustment to the Fair Value of the hedged portion of the fixed-rate financial instruments belonging to the hedged portfolio.

NOTE 4: NOTES ON NET INCOME AND OTHER COMPREHENSIVE INCOME

4.1 Interest income and expenses

In millions of euros	30.06.2023	30.06.2022
On financial assets at amortised cost	**8,871**	**2,834**
Interbank transactions	3,293	536
Customer transactions	5,066	2,160
Debt securities	512	138
On financial assets recognised at fair value through other comprehensive income	**87**	**59**
Interbank transactions	-	-
Customer transactions	-	-
Debt securities	87	59
Accrued interest receivable on hedging instruments	**644**	**202**
Other interest income	**14**	**8**
INTEREST AND SIMILAR INCOME [1]	**9,616**	**3,103**
On financial liabilities at amortised cost	**(7,353)**	**(1,056)**
Interbank transactions	(2,168)	(473)
Customer transactions	(3,281)	(381)
Debt securities	(1,795)	(170)
Subordinated debt	(109)	(32)
Accrued interest receivable on hedging instruments	**(326)**	**(136)**
Other interest expenses	**(30)**	**(17)**
INTEREST AND SIMILAR EXPENSES	**(7,709)**	**(1,209)**

[1] Including €59.3 million on receivables impared individually (Stage 3) at 30 June 2023 compared with €20.6 million at 30 June 2022.

Negative interest amounts recognised as interest income for financial liabilities and as interest expenses for financial assets amounted to €50 million and €13 million, respectively.

4.2 Net income and expenses of commissions

	30.06.2023			30.06.2022		
In millions of euros	Gains	Losses	Net	Gains	Losses	Net
Interbank transactions	16	(20)	(4)	25	(21)	4
Customer transactions	341	(72)	269	338	(72)	266
Securities transactions	36	(114)	(78)	36	(69)	(33)
Foreign exchange transactions	12	(28)	(16)	5	(21)	(16)
Derivative instruments and other off-balance sheet items	206	(146)	60	131	(104)	27
Payment instruments and other banking and financial services	150	(85)	65	155	(71)	84
Mutual funds management, fiduciary and similar operations	152	(24)	128	165	(25)	140
TOTAL INCOME AND EXPENSES OF COMMISSIONS	**913**	**(489)**	**424**	**855**	**(383)**	**472**

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

In millions of euros	30.06.2023	30.06.2022
Dividends received	18	107
Unrealised or realised gains (losses) on assets/liabilities held for trading	1,610	(3,291)
Unrealised or realised gains (losses) on equity instruments at fair value through profit or loss	3	(2)
Unrealised or realised gains (losses) on debt instruments that do not meet the conditions of the “SPPI” test	21	-
Net gains (losses) on assets backing unit-linked contracts	-	-
Unrealised or realised gains (losses) on assets/liabilities designated at fair value through profit or loss [1]	(1,346)	2,901
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	1,218	1,376
Gains (losses) from hedge accounting	(3)	-
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**1,521**	**1,091**

[1] *Excluding spread of issuer credit for liabilities recognised at fair value through profit and loss on option concerned.*

Analysis of net gains (losses) from hedge accounting:

	30.06.2023			30.06.2022		
In millions of euros	Gains	Losses	Net	Gains	Losses	Net
Fair value hedges	**1,692**	**(1,695)**	**(3)**	**2,865**	**(2,865)**	**-**
Changes in fair value of hedged items attributable to hedged risks	725	(966)	(241)	779	(2,085)	(1,306)
Changes in fair value of hedging derivatives (including termination of hedges)	967	(729)	238	2,086	(780)	1,306
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	**61**	**(61)**	**-**	**248**	**(248)**	**-**
Changes in fair value of hedged items	7	(54)	(47)	245	(1)	244
Changes in fair value of hedging derivatives	54	(7)	47	3	(247)	(244)
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value of hedging instrument - ineffective portion	-	-	-	-	-	-
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**1,753**	**(1,756)**	**(3)**	**3,113**	**(3,113)**	**-**

4.4 Net gains (losses) on financial instruments at fair value through other comprehensive income

In millions of euros	30.06.2023	30.06.2022
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss [1]	(9)	2
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	4	17
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**(5)**	**19**

[1] *Excluding net gains or losses on the disposal on impaired debt instruments (Stage 3) mentioned in note 4.9 « Cost of risk».*

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

In millions of euros	30.06.2023	30.06.2022
Debt securities	-	11
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	-	-
Gains arising from the derecognition of financial assets at amortised cost	**-**	**11**
Debt securities	(8)	(2)
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	(4)	(4)
Losses arising from the derecognition of financial assets at amortised cost	**(12)**	**(6)**
NET GAINS (LOSSES) ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST [1]	**(12)**	**5**

[1] *Excluding net gains or losses from derecognition of impaired debt instruments (Stage 3) referred to in Note 4.9 « Cost of risk».*

4.6 Income (expenses) related to other activities

In millions of euros	30.06.2023	30.06.2022
Gains (losses) on fixed assets not used in operations	-	-
Other net income (expenses)	(7)	30
INCOME (EXPENSES) RELATED TO OTHER ACTIVITIES	**(7)**	**30**

4.7 Operating expenses

In millions of euros	30.06.2023	30.06.2022
Employee expenses	(1,395)	(1,203)
Taxes other than on income or payroll-related and regulatory contributions [1]	(320)	(414)
External services and other operating expenses	(490)	(467)
OPERATING EXPENSES	**(2,205)**	**(2,084)**

[1] *Including €274 million entered under the Single Resolution Fund (SRF) at 30 June 2023 against €386 million at 30 June 2022.*

The pension reform in France adopted through Act 2023-270 of 14 April 2023 on social security financing reform for 2023 (published in the Official Journal of 15 June 2023) and implementing decrees 2023-435 and 2023-436 of 3 June 2023 (published in the Official Journal of 4 June 2023) were taken into account in the financial statements for the 1st semester 2023. The impact of this reform is considered as a change in plan and is recognised in past service cost as operating expenses.

At 30 June 2023, the impact of this reform was an income of €1.5 million.

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

In millions of euros	30.06.2023	30.06.2022
Depreciation and amortisation	**(118)**	**(117)**
Property, plant and equipment [1]	(76)	(81)
Intangible assets	(42)	(36)
Impairment losses (reversals)	**-**	**-**
Property, plant and equipment	-	-
Intangible assets	-	-
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(118)**	**(117)**

[1] *Of which €55 million recognised for depreciation on the right-of-use asset (IFRS 16) at 30 June 2023 compared with €60 million at 30 June 2022.*

4.9 Cost of risk

In millions of euros	30.06.2023	30.06.2022
Charges net of reversals to impairments on performing assets (Stage 1 or Stage 2) (A)	**39**	**(134)**
Stage 1 : Loss allowance measured at an amount equal to 12-month expected credit loss	**(22)**	**35**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(1)	-
Debt instruments at amortised cost	(23)	13
Commitments by signature	2	22
Stage 2 : Loss allowance measured at an amount equal to lifetime expected credit loss	**61**	**(169)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	57	(220)
Commitments by signature	4	51
Charges net of reversals to impairments on credit-impaired assets (Stage 3) (B)	**(116)**	**(106)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	(86)	(108)
Commitments by signature	(30)	2
Other assets (C)	**(1)**	**(1)**
Risks and expenses (D)	**5**	**(17)**
Charges net of reversals to impairment losses and provisions (E) = (A) + (B) + (C) + (D)	**(73)**	**(258)**
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	(21)	(11)
Recoveries on loans and receivables written off	31	68
recognised at amortised cost	31	68
recognised in other comprehensive income that may be reclassified to profit or loss	-	-
Discounts on restructured loans	-	-
Losses on commitments by signature	-	-
Other losses	(28)	(3)
Other gains	25	4
COST OF RISK	**(66)**	**(200)**

4.10 Net Gains (Losses) on other assets

In millions of euros	30.06.2023	30.06.2022
Property, plant & equipment and intangible assets used in operations	**-**	**2**
Gains on disposals	-	4
Losses on disposals	-	(2)
Consolidated equity investments	**-**	**(4)**
Gains on disposals	-	-
Losses on disposals	-	(4)
Net income (expense) on combinations	**-**	**-**
NET GAINS (LOSSES) ON OTHER ASSETS	**-**	**(2)**

4.11 Income tax charge

TAX EXPENSE

In millions of euros	30.06.2023	30.06.2022
Current tax charge	(320)	(233)
Deferred tax charge	20	(6)
TOTAL TAX CHARGE	**(300)**	**(239)**

RECONCILIATION OF THE THEORETICAL TAX RATE WITH THE RECORDED TAX RATE

	30.06.2023		
In millions of euros	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	1,439	25.83%	(372)
Impact of permanent differences		(1.89%)	27
Impact of different tax rates on foreign subsidiaries		0.29%	(4)
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.03%	-
Impact of reduced tax rate		(0.15%)	2
Impact of tax rate change		0.04%	(1)
Impact of other items		(3.30%)	48
EFFECTIVE TAX RATE AND TAX CHARGE		**20.85%**	**(300)**

The theoretical tax rate is the tax rate under ordinary law (including the additional social contribution) of taxable profits in France at 30 June 2023.

	30.06.2022		
In millions of euros	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	1,108	25.83%	(286)
Impact of permanent differences		(0.56%)	6
Impact of different tax rates on foreign subsidiaries		0.22%	(2)
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		(0.02%)	-
Impact of reduced tax rate		(0.06%)	1
Impact of tax rate change		0.32%	(4)
Impact of other items		(4.12%)	46
EFFECTIVE TAX RATE AND TAX CHARGE		**21.62%**	**(239)**

The theoretical tax rate is the tax rate under ordinary law (including the additional social contribution) of taxable profits in France at 30 June 2022.

4.12 Changes in other comprehensive income

The income and expenses recorded during the period are presented in detail below.

Breakdown of other comprehensive income

In millions of euros	30.06.2023	30.06.2022
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax		
Gains and losses on translation adjustments	**(141)**	**481**
Revaluation adjustment of the period	-	-
Reclassified to profit or loss	-	-
Other variations	(141)	481
Other comprehensive income on debt instruments that may be reclassified to profit or loss	**3**	**(8)**
Revaluation adjustment of the period	(7)	(7)
Reclassified to profit or loss	10	(2)
Other variations	-	1
Gains and losses on hedging derivative instruments	**168**	**(1,769)**
Revaluation adjustment of the period	167	(1,769)
Reclassified to profit or loss	-	-
Other variations	1	-
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**(45)**	**458**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**-**	**-**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**(15)**	**(838)**
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	**(10)**	**155**
Other comprehensive income on financial liabilities attributable to changes in own credit risk	**104**	**777**
Revaluation adjustment of the period	107	774
Reclassified to reserves	(3)	3
Other variations	-	-
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	**(13)**	**(15)**
Revaluation adjustment of the period	(15)	(7)
Reclassified to reserves	2	-
Other variations	-	(8)
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**(26)**	**(233)**
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**55**	**684**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**40**	**(154)**
Of which Group share	40	(157)
Of which non-controlling interests	-	3

NOTE 5: SEGMENT REPORTING

Information by operating segment

Crédit Agricole CIB's business lines are defined in accordance with the definitions applied within the Crédit Agricole S.A. Group.

Presentation of the divisions

The portfolio of activities breaks down into four divisions.

- Corporate banking includes the commercial banking business lines in France and abroad (International Trade & Transaction Banking and origination activities, structuring and arrangement credits) and structured finance activities, namely project finance, aircraft finance, shipping finance, acquisition finance and real estate finance;
- Capital Markets and Investment Banking combines capital-market activities (treasury management, foreign exchange, interest-rate derivatives, debt and treasury markets) with investment banking (mergers and acquisitions and primary equity advisory);

These two business lines make up almost the whole of Crédit Agricole S.A.'s Corporate and Investment Banking business (CIB) within the Major Clients Division of Crédit Agricole S.A.

- Wealth Management, a segment in which Crédit Agricole CIB is also active, through its subsidiary Crédit Agricole Indosuez and its operations in France, Belgium, Switzerland, Luxembourg, Monaco, Spain, Italy and, more recently, Asia, in Singapore and Hong Kong. This activity is presented within the Savings Management division of Crédit Agricole S.A.
- The Corporate Centre activities consist of the various impacts not attributable to the other divisions.

Transactions between operating segments are carried out at arm's length.

Segment assets are determined based on the items on each operating segment's balance sheet.

	30.06.2023					
In millions of euros	Financing activities	Capital markets and Investment banking	Total Corporate and Investment Banking	Wealth Management	Corporate Center	CACIB
Revenues	**1,591**	**1,715**	**3,306**	**522**	**-**	**3,828**
Operating expenses	(786)	(1,134)	(1,920)	(399)	(4)	(2,323)
Gross operating income	**805**	**581**	**1,386**	**123**	**(4)**	**1,505**
Cost of risk	(96)	29	(67)	1	-	(66)
Operating income	**709**	**610**	**1,319**	**124**	**(4)**	**1,439**
Share of net income (loss) of equity-accounted entities	-	-	-	-	-	-
Net gains (losses) on other assets	-	-	-	-	-	-
Change in value of goodwill	-	-	-	-	-	-
Pre-tax income	**709**	**610**	**1,319**	**124**	**(4)**	**1,439**
Income tax charge	(191)	(139)	(330)	(27)	57	(300)
Net income from discontinued operations	-	-	-	1	-	1
Net income	**518**	**471**	**989**	**98**	**53**	**1,140**
Non-controlling interests	-	-	-	10	-	10
NET INCOME GROUP SHARE	**518**	**471**	**989**	**88**	**53**	**1,130**

	30.06.2022					
In millions of euros	Financing activities	Capital markets and Investment banking	Total Corporate and Investment Banking	Wealth Management	Corporate Center	CACIB
Revenues	**1,580**	**1,492**	**3,072**	**445**	**(6)**	**3,511**
Operating expenses	(737)	(1,086)	(1,823)	(373)	(5)	(2,201)
Gross operating income	**843**	**406**	**1,249**	**72**	**(11)**	**1,310**
Cost of risk	(210)	7	(203)	3	-	(200)
Operating income	**633**	**413**	**1,046**	**75**	**(11)**	**1,110**
Share of net income (loss) of equity-accounted entities	-	-	-	-	-	-
Net gains (losses) on other assets	(1)	-	(1)	(1)	-	(2)
Change in value of goodwill	-	-	-	-	-	-
Pre-tax income	**632**	**413**	**1,045**	**74**	**(11)**	**1,108**
Income tax charge	(145)	(112)	(257)	(15)	33	(239)
Net income from discontinued operations	-	-	-	1	-	1
Net income	**487**	**301**	**788**	**60**	**22**	**870**
Non-controlling interests	-	-	-	4	-	4
NET INCOME GROUP SHARE	**487**	**301**	**788**	**56**	**22**	**866**

2

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	30.06.2023	31.12.2022
Financial assets held for trading	342,669	295,043
Other financial instruments at fair value through profit or loss	299	449
Equity instruments	257	264
Debt instruments that do not meet the conditions of the “SPPI” test [1]	42	185
Other debt instruments measured by definition at fair value through profit or loss	-	-
Assets backing unit-linked contracts	-	-
Financial assets designated at fair value through profit or loss	-	-
CARRYING AMOUNT	**342,968**	**295,492**
Of which lent securities	5	3

[1] Of which €9 million in UCITS as of 30 June 2023 against €10 million as of 31 December 2022.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

In millions of euros	30.06.2023	31.12.2022
Held for trading financial liabilities [1]	309,422	274,534
Financial liabilities designated at fair value through profit or loss [2]	40,657	28,782
CARRYING AMOUNT	**350,079**	**303,316**

[1] Of which €8 million of securities borrowed as of June 2023 compared to €8 million as of December 2022.
[2] Of which -€515 million related to the issuer spread whose variations are recognised in other comprehensive income that will not be reclassified to profit or loss as of June 2023 (the level of issuer spread was -€411 million as of December 2022).

In line with IFRS 9, Crédit Agricole CIB calculates changes in fair value attributable to changes in own credit risk using a methodology that allows these changes to be separated from changes in value attributable to changes in market conditions.

◆ Basis for calculating own credit risk

The source taken into account when calculating own credit risk may vary from one issuer to another. At Crédit Agricole CIB, it takes the form of the change in its market refinancing cost according to the type of issue.

◆ Calculation of unrealized gains/losses due to own credit risk (recognised in other comprehensive income)

Crédit Agricole CIB’s preferred approach is based on the liquidity component of issues. It involves replicating all of the issues through a basket of vanilla loans/borrowings. The changes in fair value attributable to changes in own credit risk for all the issues is the same as for the loans/borrowings. They are equal to the changes in the fair value of the loan/borrowing portfolio caused by changes in the cost of refinancing.

◆ Calculation of realised gains/losses due to own credit risk (recognised in consolidated reserves)

Crédit Agricole CIB has opted to transfer the change in fair value attributable to changes in own credit risk on settlement to consolidated reserves. A sensitivity-based calculation is carried out in the event of a complete or partial early redemption. This consists of measuring the change in fair value attributable to changes in own credit risk for a given issue as the sum of the credit spread sensitivities multiplied by the change in this spread between the issue date and the redemption date.

6.2 Financial asset at fair value through other comprehensive income

	30.06.2023			31.12.2022		
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	9,352	25	(8)	10,436	28	(14)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	372	44	(105)	336	42	(90)
TOTAL	**9,724**	**69**	**(113)**	**10,772**	**70**	**(104)**

DEBT INSTRUMENTS RECOGNISED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED

	30.06.2023			31.12.2022		
In millions of euros	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	1,833	7	-	1,760	7	-
Bonds and other fixed income securities	7,519	18	(8)	8,676	21	(14)
Total Debt securities	**9,352**	**25**	**(8)**	**10,436**	**28**	**(14)**
Total Loans and receivables	**-**	**-**	**-**	**-**	**-**	**-**
Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**9,352**	**25**	**(8)**	**10,436**	**28**	**(14)**
Income tax charge		(8)	2		(7)	3
OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**17**	**(6)**		**21**	**(11)**

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

▶ Other comprehensive income on equity instruments that cannot be reclassified

	30.06.2023			31.12.2022		
In millions of euros	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Equities and other variable income securities	36	12	(11)	36	13	(11)
Non-consolidated equity investments	336	32	(94)	300	29	(79)
Total equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**372**	**44**	**(105)**	**336**	**42**	**(90)**
Income tax charge		(5)	3		(4)	3
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**39**	**(102)**		**38**	**(87)**

EQUITY INSTRUMENTS DERECOGNISED DURING THE PERIOD

	30.06.2023			31.12.2022		
In millions of euros	Fair value at the date of derecognition	Cumulative gains realised[1]	Cumulative losses realised[1]	Fair value at the date of derecognition	Cumulative gains realised[1]	Cumulative losses realised[1]
Equities and other variable income securities	1	-	-	3	2	(9)
Non-consolidated equity investments	1	-	(2)	1	-	(7)
Total Investments in equity instruments	**2**	**-**	**(2)**	**4**	**2**	**(16)**
Income tax charge		-	-		-	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**-**	**(2)**		**2**	**(16)**

[1] Realised gains and losses are transferred to consolidated reserves at the moment of the derecognition of the instrument concerned.

6.3 Financial assets at amortised cost

In millions of euros	30.06.2023	31.12.2022
Loans and receivables due from credit institutions	65,181	60,494
Loans and receivables due from customers	172,293	179,186
Debt securities	33,217	34,716
CARRYING AMOUNT	**270,691**	**274,396**

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

In millions of euros	30.06.2023	31.12.2022
Credit institutions		
Loans and receivables	55,402	52,234
of which non doubtful current accounts in debit [1]	6,625	5,304
of which non doubtful overnight accounts and advances [1]	1,999	1,773
Pledged securities	-	-
Securities bought under repurchase agreements	10,175	8,667
Subordinated loans	2	2
Other loans and receivables	-	-
Gross amount	**65,579**	**60,903**
Impairment	(398)	(409)
CARRYING AMOUNT	**65,181**	**60,494**

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

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

In millions of euros	30.06.2023	31.12.2022
Loans and receivables due from customers		
Trade receivables	27,765	30,616
Other customer loans	142,260	144,867
Pledged securities	-	-
Securities bought under repurchase agreements	892	1,373
Subordinated loans	42	46
Insurance receivables	-	-
Reinsurance receivables	-	-
Advances in associates' current accounts	10	10
Current accounts in debit	4,166	5,259
Gross amount	**175,135**	**182,171**
Impairment	(2,842)	(2,985)
Net value of loans and receivables due from customers	**172,293**	**179,186**
Finance leases		
Property leasing	-	-
Equipment leases, operating leases and similar transactions	-	-
Gross amount	**-**	**-**
Impairment	-	-
Net value of lease financing operations	**-**	**-**
CARRYING AMOUNT	**172,293**	**179,186**

DEBT INSTRUMENTS

In millions of euros	30.06.2023	31.12.2022
Treasury bills and similar securities	6,887	7,188
Bonds and other fixed income securities	26,359	27,557
Total	**33,246**	**34,745**
Impairment	(29)	(29)
CARRYING AMOUNT	**33,217**	**34,716**

6.4 Financial liabilities at amortised cost

In millions of euros	30.06.2023	31.12.2022
Due to credit institutions	76,738	79,781
Due to customers	174,660	186,851
Debt securities	69,761	68,389
CARRYING AMOUNT	**321,159**	**335,021**

DUE TO CREDIT INSTITUTIONS

In millions of euros	30.06.2023	31.12.2022
Accounts and borrowings	75,884	79,311
of which current accounts in credit [1]	11,488	12,538
of which overnight accounts and deposits [1]	3,531	377
Securities sold under repurchase agreements	854	470
CARRYING AMOUNT	**76,738**	**79,781**

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

DUE TO CUSTOMERS

In millions of euros	30.06.2023	31.12.2022
Current accounts in credit	57,999	69,275
Special savings accounts	94	111
Other amounts due to customers	115,365	116,990
Securities sold under repurchase agreements	1,202	475
CARRYING AMOUNT	**174,660**	**186,851**

DEBTS REPRESENTED BY A SECURITY

In millions of euros	30.06.2023	31.12.2022
Interest bearing notes	-	-
Interbank securities	-	-
Negotiable debt securities	66,727	64,748
Bonds	3,034	3,641
Other debt securities	-	-
CARRYING AMOUNT	**69,761**	**68,389**

6.5 Goodwill

In millions of euros	31.12.2022 GROSS	31.12.2022 NET	Increases (acquisitions)	Decreases (Divestments)	Impairment losses during the period	Translation adjustments	Other movements	30.06.2023 GROSS	30.06.2023 NET
Corporate and Investment banking	655	485	-	-	-	-	-	655	485
Wealth Management	601	601	-	-	-	4	-	605	605
TOTAL	**1,256**	**1,086**	**-**	**-**	**-**	**4**	**-**	**1,260**	**1,090**

Goodwill is tested for impairment as soon as objective evidence of a loss of value are noted and at least once a year. Although the rise in interest rates and the uncertainties caused by the Russian-Ukraine conflict are not in and of themselves evidence of a loss of value, the consequences have an impact on all economic sectors, particularly the financial sector. The impact of these uncertainty factors is reflected in the financial trajectories of the various business lines, updated in the budget at 30 June 2023 validated at 31 December 2022.

During the second quarter of 2023, Crédit Agricole CIB ensured that there were no major deviations from the trajectories used for the impairment testing carried out at 31 December 2022. For the Wealth Management CGU, the positive difference between the value in use and the consolidated value at 31 December 2022 is sizeable enough for Crédit Agricole CIB to consider that updating the valuation test at 30 June 2023 would not call for additional impairment. For the CIB CGU, the improvement in the financial trajectory compared to the impairment testing carried out at 31 December 2022 ensures the lack of goodwill impairment during the updated test at 30 June 2023.

6.6 Provisions

In millions of euros	31.12.2022	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	30.06.2023
Home purchase schemes risks	-	-	-	-	-	-	-	-
Execution risks of commitments by signature	440	-	219	-	(195)	(13)	-	451
Operational risks	15	-	1	-	-	-	-	16
Employee retirement and similar benefits	262	-	15	(10)	(1)	(1)	-	265
Litigation	182	-	15	(8)	(20)	-	-	169
Equity investments	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	-
Other risks	23	-	2	(1)	-	-	-	24
TOTAL	**922**	**-**	**252**	**(19)**	**(216)**	**(14)**	**-**	**925**

In millions of euros	31.12.2021	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31.12.2022
Home purchase schemes risks	-	-	-	-	-	-	-	-
Execution risks of commitments by signature	511	-	391	(2)	(488)	28	-	440
Operational risks	52	-	12	(51)	(1)	3	-	15
Employee retirement and similar benefits	411	1	35	(28)	(4)	6	(159)	262
Litigation	325	-	24	(49)	(119)	1	-	182
Equity investments	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	-
Other risks	38	1	8	(7)	(18)	1	-	23
TOTAL	**1,337**	**2**	**470**	**(137)**	**(630)**	**39**	**(159)**	**922**

6.7 Subordinated debt

In millions of euros	30.06.2023	31.12.2022
Dated subordinated debt	4,269	4,293
Undated subordinated debt	-	-
CARRYING AMOUNT	**4,269**	**4,293**

6.8 Total equity

OWNERSHIP STRUCTURE AT 30 JUNE 2023

At 30 June 2023, share and voting right ownership broke down as follows:

Shareholders of Crédit Agricole CIB	Number of shares at 30.06.2023	% of the share capital	% of voting rights
Crédit Agricole S.A.	283,037,792	97.33%	97.33%
SACAM développement [1]	6,485,666	2.23%	2.23%
Delfinances [2]	1,277,888	0.44%	0.44%
TOTAL	**290,801,346**	**100%**	**100%**

[1] *Owned by Crédit Agricole Group.*
[2] *Owned by Crédit Agricole S.A. Group.*

At 30 June 2023, Crédit Agricole CIB's share capital stood at €7,851,636,342 composed of 290,801,346 fully paid up ordinary shares each with a par value of €27.

EARNINGS PER SHARE

		30.06.2023	31.12.2022
Net income Group share during the period	*(In millions of euros)*	1,130	1,838
Net income attributable to undated deeply subordinated securities	*(In millions of euros)*	(334)	(463)
Net income attributable to holders of ordinary shares	*(In millions of euros)*	**796**	**1,375**
Weighted average number of ordinary shares in circulation during the period		290,801,346	290,801,346
Weighted average number of ordinary shares for calculation of diluted earnings per share		290,801,346	290,801,346
BASIC EARNINGS PER SHARE	*(in euros)*	**2.74**	**4.73**
Basic earnings per share from ongoing activities	*(in euros)*	**2.74**	**4.72**
Basic earnings per share from discontinued operations	*(in euros)*	**0.00**	**0.01**
DILUTED EARNINGS PER SHARE (IN EUROS)	*(in euros)*	**2.74**	**4.73**
Diluted earnings per share from ongoing activities	*(in euros)*	**2.74**	**4.72**
Diluted earnings per share from discontinued operations	*(in euros)*	**0.00**	**0.01**

The net income attributable to subordinated and deeply subordinated securities is equal to the issue costs and the interest accrued on subordinated and deeply subordinated Additional Tier 1 bond issues. It totalled -€334 million in the first half of 2023.

DIVIDENDS

Dividend paid in respect of year	Net amount in € million
2018	489
2019	512
2020	1,023
2021	553
2022	343

For the 2022 financial year the Crédit Agricole CIB General Meeting of 3 May 2023 approved the payment of a gross dividend per share of €1.18 compared to €1.90 for the 2021 financial year.

UNDATED FINANCIAL INSTRUMENTS

Main issues of undated deeply subordinated notes classified in other comprehensive income:

					At 30 june 2023			
		Amount in currency at 31 december 2022	Partial repurchases and redemptions	Amount in currency at 30 june 2023	Amount in euros at inception rate	Interests paid - Group share - Cumulated	Issuance costs net of taxes	Impact of Equity Group share cumulated
Issue date	Currency	*In millions of units*	*In millions of units*	*In millions of units*	*In millions of euros*	*In millions of euros*	*In millions of euros*	*In millions of euros*
11/16/2015	EUR	600	-	600	600	787	-	(187)
6/9/2016	USD	720	-	720	635	390	-	245
6/27/2018	EUR	500	-	500	500	135	-	365
9/24/2018	EUR	500	-	500	500	117	-	383
2/26/2019	USD	470	-	470	414	120	-	294
6/18/2019	EUR	300	-	300	300	60	-	240
1/27/2020	EUR	500	-	500	500	64	-	436
2/4/2021	USD	730	-	730	609	92	-	517
3/23/2021	EUR	200	-	200	200	15	-	185
3/23/2021	EUR	400	-	400	400	31	-	369
6/23/2021	EUR	220	-	220	220	16	-	204
6/23/2021	EUR	930	-	930	930	64	-	866
6/25/2021	EUR	1,500	-	1,500	1,500	106	-	1,394
3/28/2022	EUR	450	-	450	450	30	-	420
3/28/2022	EUR	500	-	500	500	34	-	466
6/30/2022	EUR	150	-	150	150	11	-	139
9/28/2022	EUR	330	-	330	330	21	-	309
9/28/2022	EUR	100	-	100	100	6	-	94
12/5/2022	EUR	300	-	300	300	12	-	288
12/5/2022	EUR	250	-	250	250	10	-	240
12/23/2022	EUR	600	-	600	600	23	-	577
TOTAL					**9,988**	**2,144**	**-**	**7,844**

At 31 December 2022, issues amounted to €9,988 million in progress and -€1,810 million in aggregate remuneration Group share.

The undated subordinated and deeply subordinated debt issues classified in Group share of shareholders' equity break down as follows:

In millions of euros	30.06.2023	31.12.2022
Undated deeply subordinated notes		
Interests paid accounted as reserves	(334)	(463)
Income tax savings related to interest paid to security holders recognised in net income	86	120

NOTE 7: COMMITMENTS GIVEN AND RECEIVED AND OTHER GUARANTEES

The commitments given and received and other guarantees include discontinued operations.

COMMITMENTS GIVEN AND RECEIVED

In millions of euros	30.06.2023	31.12.2022
Commitments given	**232,004**	**217,891**
Financing commitments	**128,484**	**131,071**
Commitments given to credit institutions	5,147	5,857
Commitments given to customers	123,337	125,214
Guarantee commitments	**82,113**	**79,692**
Commitments given to credit institutions	7,972	8,574
Commitments given to customers	74,141	71,118
Securities commitments	**21,407**	**7,128**
Securities to be delivered	21,407	7,128
Commitments received	**206,378**	**193,626**
Financing commitments	**2,890**	**935**
Commitments received from credit institutions	1,139	508
Commitments received from customers	1,751	427
Guarantee commitments	**186,113**	**186,713**
Commitments received from credit institutions	8,617	8,065
Commitments received from customers	177,496	178,648
Securities commitments	**17,375**	**5,978**
Securities to be received	17,375	5,978

FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS COLLATERAL

In millions of euros	30.06.2023	31.12.2022
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.)	78,675	69,439
Securities lent	5	3
Security deposits on market transactions	44,506	48,563
Other security deposits	-	-
Securities sold under repurchase agreements	114,739	82,744
TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL	**237,925**	**200,749**
Carrying amount of financial assets received in garantee		
Other security deposits	-	-
Fair value of instruments received as reusable and reused collateral		
Securities borrowed	8	8
Secutities bought under repurchase agreements	195,366	155,373
Securities sold short	52,345	37,179
TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL	**247,719**	**192,560**

RECEIVABLES PLEDGED AS COLLATERAL

During the first half of 2023, Crédit Agricole CIB deposited €8.38 billion in receivables as collateral either directly or as part of the Crédit Agricole Group's contribution to various refinancing mechanisms, compared with €9.87 billion in 2022. Crédit Agricole CIB retains all the risks and rewards associated with these receivables.

Moreover, Crédit Agricole CIB contributed €3.24 billion in receivables with the United States Federal Reserve (FED) versus €2.62 billion in 2022.

NOTE 8: RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Principles applied by Crédit Agricole CIB

Instruments are only reclassified under exceptional circumstances following a decision by Crédit Agricole CIB's Executive Management as a result of internal or external changes that are material to Crédit Agricole CIB's activity.

Reclassifications by Crédit Agricole CIB

In 2023, the Crédit Agricole CIB Group did not carry out any reclassifications within the meaning of paragraph 4.4.1 of IFRS 9.

NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS AND MISCELLANEOUS DISCLOSURES

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants on the valuation date.

Fair value is defined based on the exit price.

The fair values given below are estimates made on the reporting date using observable market data wherever possible. They are liable to change in the future due to changes in market conditions or other factors.

The calculations are the best estimates that can be made. They are based on a number of assumptions. Market participants are assumed to act in their best economic interests.

As these models contain uncertainties, the fair values used may not be realised when the financial instruments in question are actually sold or if they are immediately settled.

The fair value hierarchy for financial assets and liabilities is broken down according to the observability of the inputs used for their valuation in line with the principles defined by IFRS 13.

Fair value hierarchy Level 1 applies to the fair value of financial assets and liabilities listed on active markets.

Fair value hierarchy Level 2 applies to the fair value of financial assets and liabilities with observable inputs. This includes market data relating to interest rate risk or credit risk parameters where they can be measured from observable Credit Default Swap (CDS) spread quotes. Repurchase agreements listed on an active market, based on the underlying and the maturity of the transaction, may also be included in level 2 of the hierarchy, as are financial assets and liabilities with a demand component whose fair value is equal to the unadjusted amortised cost.

Level 3 of the hierarchy indicates the fair value of financial assets and liabilities for which there is no observable data or for which some inputs can be remeasured with internal models using historical data.

In some cases, market values may be close to the carrying amounts. This applies primarily to:

- floating-rate assets or liabilities whose fair value is not significantly affected by changes in interest rates, as their rates are frequently adjusted to market rates;
- short-term assets or liabilities whose redemption value is considered to be close to market value;
- demand assets or liabilities;
- transactions for which there are no reliable observable data.

9.1 Information about financial instruments measured at fair value

Market transactions are valued by management information systems and checked by a team that reports to the Risk Division and is independent from market operators.

Valuations are made using:

- prices or inputs obtained from independent sources and/or controlled by the Market Risk Department using all the sources available (pricing service vendors, market consensus data, brokers, etc.);
- models validated by the Market Risk Department's quantitative teams.

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

The main types of valuation adjustments are as follows:

Mark-to-market adjustments: these adjustments aim to adjust for the potential variance between the mid-market valuation of an instrument arrived at using internal valuation models and the associated inputs and the valuation determined from external sources or market consensus data. These adjustments may be positive or negative;

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

Adjustments for uncertainty: these adjustments account for a risk premium as considered by any market participant. These adjustments are always negative:

- adjustments for input uncertainty aim to incorporate any uncertainties that may exist in relation to one or more of the inputs used in the valuation of an instrument;
- adjustments for model uncertainty aim to incorporate any uncertainties that may exist in relation to one or more of the inputs used in the valuation of an instrument.

Furthermore, and in accordance with IFRS 13 "Fair Value Measurement", Crédit Agricole CIB (CACIB) includes in the fair value calculation of its OTC derivatives (over-the-counter) various adjustments relating to:

- default or credit quality risk (Credit Valuation Adjustment/Debit Valuation Adjustment)
- future financing costs and gains (Funding Valuation Adjustment)
- liquidity risk associated with collateral (Liquidity Valuation Adjustment).

CVA ADJUSTMENT

The Credit Valuation Adjustment (CVA) is a mark-to-market adjustment that aims to price the market value of our counterparties' default risk (risk that amounts due to us will not be repaid if counterparties default or their creditworthiness deteriorates) into the value of OTC derivatives. This adjustment is calculated for each counterparty based on the trading portfolio's positive future exposure profiles (taking into account any netting or collateral agreements, where applicable) weighted by the probability of default and the losses incurred in the event of default.

The methodology used maximises the use of inputs/market price (the probability of default is preferably directly deduced from listed CDS, listed CDS proxies, or other credit instruments if they are deemed to be sufficiently liquid). This adjustment is always negative and reduces the fair value of the OTC derivative assets held in the portfolio.

DVA ADJUSTMENT

The Debit Valuation Adjustment (DVA) is a mark-to-market adjustment that aims to price the market value of our own default risk (potential losses to which CACIB may expose its counterparties if it defaults or its creditworthiness deteriorates) into the value of fully collateralised OTC derivatives. This adjustment is calculated for each type of collateral contract based on the trading portfolio's negative future exposure profiles weighted by the probability of default (of Crédit Agricole S.A.) and the losses incurred in the event of default.

The methodology used maximises the use of inputs/market price (use of Crédit Agricole S.A. CDS to determine the probability of default). This adjustment is always positive and reduces the fair value of the OTC derivative liabilities held in the portfolio.

FVA ADJUSTMENT

The Funding Valuation Adjustment (FVA) is a mark-to-market adjustment that aims to price the additional future funding costs and benefits based on the cost of Asset & Liability Management (ALM) funding into the fair value of OTC derivatives that are not collateralised, or not fully collateralised. This adjustment is calculated for each counterparty based on the trading portfolio's positive future exposure profiles (taking into account any netting or collateral agreements, where applicable) weighted by ALM funding spreads.

For "cleared" derivatives perimeter, an FVA adjustment known as an IMVA (Initial Margin Value Adjustment) is calculated to take into account the future funding costs and benefits for the initial margins to be posted with the main derivative clearing houses until the portfolio matures.

LVA ADJUSTMENT

The LVA (Liquidity Valuation Adjustment) is a positive or negative valuation adjustment aimed at pricing in both the potential absence of collateral payment for counterparties with a CSA (Credit Support Annex) and the non-standard remuneration from CSAs.

The LVA therefore factors in the gain or loss resulting from the additional liquidity costs. It is calculated for OTC derivatives with a CSA.

BREAKDOWN OF FINANCIAL INSTRUMENTS AT FAIR VALUE BY VALUATION MODEL

▶ Financial assets measured at fair value

In millions of euros	30.06.2023	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets held for trading	**342,669**	**40,306**	**286,437**	**15,926**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	848	-	-	848
Securities bought under repurchase agreements	148,777	-	141,239	7,538
Pledged securities	-	-	-	-
Held for trading securities	46,094	40,218	4,067	1,809
Derivative instruments	146,950	88	141,131	5,731
Other financial instruments at fair value through profit or loss	**299**	**73**	**26**	**200**
Equity instruments at fair value through profit or loss	**257**	**69**	**-**	**188**
Debt instruments that do not meet the conditions of the “SPPI” test	**42**	**4**	**26**	**12**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	42	4	26	12
Other debt instruments measured by definition at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets designated at fair value through profit or loss	**-**	**-**	**-**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	-	-	-	-
Financial assets at fair value through other comprehensive income	**9,724**	**8,225**	**1,177**	**322**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**372**	**49**	**1**	**322**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**9,352**	**8,176**	**1,176**	**-**
Hedging derivative Instruments	**4,222**	**-**	**4,222**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**356,914**	**48,604**	**291,862**	**16,448**
Transfers from Level 1: Quoted prices in active markets for identical instruments	289		251	38
Transfers from Level 2: Valuation based on observable data	1,630	812		818
Transfers from Level 3: Valuation based on unobservable data	1,416	6	1,410	
TOTAL TRANSFERS TO EACH LEVEL	**3,335**	**818**	**1,661**	**856**

Transfers between Level 1 and Level 2 mainly concern treasury bills and bonds and other fixed-income securities.

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

Transfers from Level 2 to Level 3 mainly concern trading derivatives.

Transfers from Level 3 to Level 2 mainly concern the securities of customers and credit institutions received under repurchase agreements and trading derivatives.

In millions of euros	31.12.2022	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets held for trading	**295,043**	**23,059**	**259,531**	**12,453**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	1,647	-	1	1,646
Securities bought under repurchase agreements	112,816	-	107,730	5,086
Pledged securities	-	-	-	-
Held for trading securities	25,370	23,022	1,766	582
Derivative instruments	155,210	37	150,034	5,139
Other financial instruments at fair value through profit or loss	**449**	**67**	**8**	**374**
Equity instruments at fair value through profit or loss	**264**	**62**	**3**	**199**
Debt instruments that do not meet the conditions of the "SPPI" test	**185**	**5**	**5**	**175**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	162	-	-	162
Debt securities	23	5	5	13
Other debt instruments measured by definition at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets designated at fair value through profit or loss	**-**	**-**	**-**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	-	-	-	-
Financial assets at fair value through other comprehensive income	**10,772**	**9,729**	**775**	**268**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**336**	**67**	**1**	**268**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**10,436**	**9,662**	**774**	**-**
Hedging derivative Instruments	**2,611**	**-**	**2,611**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**308,875**	**32,855**	**262,925**	**13,095**
Transfers from Level 1: Quoted prices in active markets for identical instruments	441		435	6
Transfers from Level 2: Valuation based on observable data	1,823	875		948
Transfers from Level 3: Valuation based on unobservable data	961	-	961	
TOTAL TRANSFERS TO EACH LEVEL	**3,225**	**875**	**1,396**	**954**

Transfers from Level 1 to Level 3 are essentially shares and other variable income securities.

Transfers between Level 1 and Level 2 mainly concern treasury bills and bonds and other fixed-income securities.

Transfers from Level 2 to Level 3 are mainly the securities of credit institutions received under repurchase agreements and trading derivatives.

Transfers from Level 3 to Level 2 mainly concern the securities of customers and credit institutions received under repurchase agreements and trading derivatives.

Financial liabilities measured at fair value

In millions of euros	30.06.2023	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	**309,422**	**52,406**	**250,511**	**6,505**
Securities sold short	52,354	52,321	8	25
Securities sold under repurchase agreements	112,683	-	109,183	3,500
Debt securities	-	-	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	144,385	85	141,320	2,980
Financial liabilities designated at fair value through profit or loss	**40,657**	**-**	**27,128**	**13,529**
Hedging derivative Instruments	**4,136**	**-**	**4,136**	**-**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**354,215**	**52,406**	**281,775**	**20,034**
Transfers from Level 1: Quoted prices in active markets for identical instruments	9		-	9
Transfers from Level 2: Valuation based on observable data	999	32		967
Transfers from Level 3: Valuation based on unobservable data	512	-	512	
TOTAL TRANSFERS TO EACH LEVEL	**1,520**	**32**	**512**	**976**

The liabilities transferred to and outside of Level 3 mainly concern securities sold under repurchase agreements with credit institutions, trading derivatives and financial liabilities designated at fair value through profit or loss.

Transfers between Levels 1 and 2 are mainly short sales.

In millions of euros	31.12.2022	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	**274,534**	**37,152**	**232,950**	**4,432**
Securities sold short	37,187	37,116	71	-
Securities sold under repurchase agreements	81,799	-	80,037	1,762
Debt securities	-	-	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	155,548	36	152,842	2,670
Financial liabilities designated at fair value through profit or loss	**28,782**	**-**	**19,967**	**8,815**
Hedging derivative Instruments	**5,141**	**1**	**5,140**	**-**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**308,457**	**37,153**	**258,057**	**13,247**
Transfers from Level 1: Quoted prices in active markets for identical instruments	5		5	-
Transfers from Level 2: Valuation based on observable data	482	24		458
Transfers from Level 3: Valuation based on unobservable data	1,040	11	1,029	
TOTAL TRANSFERS TO EACH LEVEL	**1,527**	**35**	**1,034**	**458**

The liabilities transferred to and outside of Level 3 mainly concern securities sold under repurchase agreements with credit institutions, trading derivatives and financial liabilities designated at fair value through profit or loss.

Transfers between Levels 1 and 2 are mainly short sales.

Financial instruments classified as level 1

Level 1 is the classification applied to derivatives traded on an active organised market (options, futures, etc.), regardless of the underlying (interest rate, exchange rate, precious metals or main equity indices) and equities and bonds listed on an active market.

A market is regarded as being active if quoted prices are readily and regularly available from exchanges, brokers, dealers, pricing services or regulatory agencies and these prices represent actual transactions regularly occurring in the market at arm's length.

Corporate, government and agency bonds that are valued based on prices obtained from independent sources that are considered to be executable and are regularly updated are classified as Level 1.

This applies to the bulk of the sovereign, agency and corporate bonds held. Issuers whose bonds are not listed are classified as Level 3.

Financial instruments classified as level 2

The main financial instruments classified as Level 2 are:

- Liabilities designated at fair value

Debts issued and designated at fair value are classified as Level 2 if their embedded derivative is considered to fall under Level 2;

- Over-the-counter derivatives

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

The following are therefore classified as Level 2:

- linear derivative products such as interest-rate swaps, currency swaps and forward FX. These are valued using simple models widely used by the market, based on inputs that are directly observable (foreign exchange rates and interest rates) or can be deduced from the market prices of observable products (foreign exchange swaps);
- non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and credit default swaps, including digital options. These are measured using simple models widely used by the market, based on inputs that are directly observable (foreign exchange rates, interest rates and share prices) or can be deduced from observable market prices (volatilities);
- simple exotic single-underlying instruments such as cancellable swaps or baskets of major currencies;

These are valued using models that are sometimes slightly more complex but are still widely used by the market. The significant inputs are observable. Prices are observable in the market, notably through broker prices. Market consensus, where applicable, supports internal valuations;

- Securities, equity options and future equity options listed on a market deemed to be inactive and for which independent valuation data is available.

Financial instruments classified as level 3

Financial instruments classified as Level 3 are those that do not meet the conditions for classification as Level 1 or 2. They are therefore mainly financial instruments with a high model risk or products whose valuation requires the use of significant non-observable inputs.

For all new transactions classified as Level 3, a reserve is recognised on the initial recognition date for the initial margin. It is distributed in profit or loss either over the period of unobservability or over the maturity of the deal when the unobservability of the factors is not linked to maturity.

The following are therefore classified as Level 3:

- Securities received / sold under repurchase agreements
- Receivables due from customers
- Securities

Level-3 securities mainly consist of:

- unlisted shares or bonds for which no independent valuation is available;
- ABSs for which there are indicative independent valuations but these are not necessarily executable;
- ABSs and super senior and mezzanine CDO tranches, the active nature of whose market cannot be demonstrated.

- Liabilities designated at fair value

Debts issued and designated at fair value are classified as Level 3 if their embedded derivative is considered to fall under Level 3.

- Over-the-counter derivatives

Non-observable products are financial instruments that are complex, significantly exposed to model risk or require the use of inputs considered to be non-observable.

All of these principles are subject to an observability mapping by risk/product factor, underlying (currencies, index, etc.) and maturity indicating the classification used.

The following are most commonly classified as Level 3:

- Linear interest rate or currency products with very long maturities for major currencies, or shorter maturities for emerging currencies; this may include repurchase operations depending on the maturity of the transactions involved and their underlying assets;
- non linear interest rate or currency products with very long maturities for major currencies, or shorter maturities for emerging currencies;
- the following complex derivatives:
  - some equity derivatives: options on insufficient shallow markets or very long-dated options or products whose valuation depends on non-observable correlations between various underlying shares;
  - some exotic interest rate products whose underlying is the difference between two interest rates (structured products based on interest-rate differences or products whose correlations are not observable);
  - some products whose underlying is the forward volatility of an index. These products are deemed to be non-observable because of their significant model risk and thin liquidity, which prevent regular and accurate estimates of inputs;
  - securitisation swaps generating exposure to the prepayment rate. The prepayment rate is determined based on historical data for similar portfolios;
  - long-term interest rate/foreign exchange hybrid products of the power reverse dual currency type, or products whose underlying is a basket of foreign currencies. The inputs for the correlation between the interest rates and currencies and between the two interest rates are determined using an internal methodology based on historical data. Results are cross-checked against market consensus data to ensure that the overall method is consistent;
  - multiple-underlying products generating exposure to correlations between several risk classes (interest-rate, credit, FX, inflation and equity);

2

9.2 Net changes in financial instruments measured at fair value according to level 3

▶ Financial assets measured at fair value according to Level 3

		Financial assets held for trading				Other financial instruments at fair value through profit or loss			Financial assets at fair value through other comprehensive income	
						Equity instruments at fair value through profit or loss	Debt instruments that do not meet the conditions of the "SPPI" test			
In millions of euros	**Financial assets measured at fair value according to Level 3**	Loans and receivables due from customers	Securities bought under repurchase agreements	Held-for-trading securities	Derivative instruments	Equity and other variable income securities and Non-consolidated equity investments	Loans and receivables due from customers	Debt securities	Equity instruments at fair value through other comprehensive income that will not be reclassified to profit and loss	Financial assets designated at fair value through profit or loss
Closing balance (31.12.2022)	**13,095**	**1,646**	**5,087**	**582**	**5,139**	**198**	**162**	**13**	**268**	**-**
Gains or losses during the period [1]	(439)	-	9	(385)	(60)	(7)	-	(1)	5	-
Recognised in profit or loss	(392)	30	9	(385)	(40)	(5)	-	(1)	-	-
Recognised in other comprehensive income	(47)	(30)	-	-	(20)	(2)	-	-	5	-
Purchases	6,677	448	4,014	1,639	523	-	-	-	53	-
Sales	(1,299)	(1,132)	-	(54)	(2)	(4)	(103)	-	(4)	-
Issues	-	-	-	-	-	-	-	-	-	-
Settlements	(980)	(67)	(327)	(2)	(525)	-	(59)	-	-	-
Reclassifications	(46)	(46)	-	-	-	-	-	-	-	-
Changes associated with scope during the period	-	-	-	-	-	-	-	-	-	-
Transfers	(560)	-	(1,245)	29	656	-	-	-	-	-
Transfers to Level 3	856	-	-	38	818	-	-	-	-	-
Transfers from Level 3	(1,416)	-	(1,245)	(9)	(162)	-	-	-	-	-
CLOSING BALANCE (30.06.2023)	**16,448**	**849**	**7,538**	**1,809**	**5,731**	**187**	**-**	**12**	**322**	**-**

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

Gains / losses for the period from level 3 assets held at the end of the period	**(439)**
Recognised in profit or loss	(392)
Recognised in other comprehensive income	(47)

▶ Financial liabilities measured at fair value according to Level 3

		Financial liabilities held for trading							
In millions of euros	**Total**	Securities sold short	Securities sold under repurchase agreements	Debt securities	Due to credit institutions	Due to customers	Derivative Instruments	Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
Closing balance (31.12.2022)	**13,247**	**-**	**1,762**	**-**	**-**	**-**	**2,670**	**8,815**	**-**
Gains or losses during the period [1]	582	-	156	-	-	-	(58)	484	-
Recognised in profit or loss	768	-	156	-	-	-	(43)	655	-
Recognised in other comprehensive income	(186)	-	-	-	-	-	(15)	(171)	-
Purchases	5,029	16	2,292	-	-	-	171	2,550	-
Sales	(15)	-	-	-	-	-	(15)	-	-
Issues	2,798	-	-	-	-	-	-	2,798	-
Settlements	(2,510)	-	(837)	-	-	-	(223)	(1,450)	-
Reclassifications	439	-	-	-	-	-	-	439	-
Changes associated with scope during the period	-	-	-	-	-	-	-	-	-
Transfers	464	9	127	-	-	-	435	(107)	-
Transfers to Level 3	976	9	281	-	-	-	582	104	-
Transfers from Level 3	(512)	-	(154)	-	-	-	(147)	(211)	-
CLOSING BALANCE (30.06.2023)	**20,034**	**25**	**3,500**	**-**	**-**	**-**	**2,980**	**13,529**	**-**

[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	**582**
Recognised in profit or loss	768
Recognised in other comprehensive income	(186)

The gains and losses recognised in profit or loss linked to financial instruments held for trading and designated at fair value through profit or loss and derivatives are recorded in “Net gains (losses) on financial instruments at fair value through profit or loss”; the gains and losses recognised in profit or loss linked to financial assets at fair value through other comprehensive income are recorded in “Net gains (losses) on financial instruments at fair value through other comprehensive income”.

9.3 Fair value of debt securities recognised on the asset at amortised cost

At 30 june 2023, the net carrying amount of debt securities recognised in assets at amortised cost was €33,217 million. The estimated fair value of these assets was €33,354 million.

The estimated fair value of these assets recognised at amortised cost for IFRS financial reporting requirements in the consolidated financial statements is not used for the bank's activity and risk management.

9.4 Estimated impact of the inclusion of the margin at inception

In millions of euros	30.06.2023	31.12.2022
Deferred margin at beginning of period	**241**	**185**
Margin generated by new transactions during the period	119	180
Margin recognised in net income during the period	(95)	(124)
DEFERRED MARGIN AT END OF THE PERIOD	**265**	**241**

A reserve is recognised on the balance sheet for the first-day margin for market transactions classified as fair value Level 3 and the margin is recognised in profit or loss over time or when the non-observable inputs become observable again.

9.5 Benchmark reforms

Reminders on benchmark rate reforms and implications for the Crédit Agricole CIB Group

The reform of the IBOR (InterBank Offered Rates) indices initiated by the Financial Stability Board in 2014 aims to replace these indices with alternative rates and more specifically with Risk Free Rates (RFR).

This reform accelerated on 5 March 2021 when the IBA - the administrator of LIBOR - confirmed the important milestone at the end of 2021 for the disappearance or non-representativeness of LIBOR, except on the most frequently used tenors of USD LIBOR (overnight, 1-month, 3-month, 6-month and 12-month), for which the date was set at 30 June 2023.

Since that date, other announcements have been made:

- The termination of the publication of several indices calculated on the basis of swaps referring to the USD LIBOR at end-June 2023: ICE SWAP RATE USD, MIFOR (India), SOR (Singapore) and THBFIX (Thailand);
- The termination of MosPrime (Russia) after 30 June 2023, CDOR (Canada) after 28 June 2024 on as-yet undefined tenors (one, two and three months) and, more recently, the termination of WIBOR - Polish benchmark, classified as critical by the European Commission - by the end of 2024.

The Crédit Agricole CIB Group has been working since 2019 to prepare and manage the transition of interest rate indices for all of its activities. These transitions are part of the timetables and standards defined by the marketplace - some of which Crédit Agricole participates in - and the European regulatory framework (BMR).

In accordance with the recommendations of the national working groups and the authorities, the Crédit Agricole CIB Group recommends and is focused on switching to alternative indices in anticipation of the disappearance of benchmarks while aiming to meet the deadlines set by the marketplace or imposed by the authorities.

In general, the orderly and controlled completion of transitions is now ensured by the Group's efforts to upgrade its tools and processes, as well as the strong mobilisation of support teams and business lines to absorb the workload caused by transitions, particularly for the renegotiation of contracts. All of the actions taken since 2019 have thus enabled the Group's entities to ensure the continuity of their business after the disappearance of IBORs and to be able to manage the new product offerings referencing RFRs or certain forward-looking RFRs while limiting operational and commercial risks after the indices are terminated.

USD LIBOR transition

The transition of existing contracts began in 2022 for the Crédit Agricole CIB Group.

The strong efforts of the teams and the organisation in place paved the way for the successful transition of nearly all existing contracts, limiting the use of the synthetic USD LIBOR. Accordingly:

- Loans, credit lines and related hedging instruments were primarily switched to an alternative index through early renegotiation;
- Most of the non-cleared derivatives covered by ISDA were transitioned by activating the fallback clause when the index was terminated, and non-member clients were contacted in order to initiate a bilateral renegotiation. Clearing houses completed the transition of cleared derivatives in the second quarter of 2023;
- Current accounts and other similar products were migrated by updating their general terms and conditions at the beginning of the year;
- For other asset classes, with some exceptions, contracts were migrated pro-actively or through activation of the fallback clause.

The operational migration of contracts was based on all the processes and tools previously developed for the transition of contracts indexed to IBOR rates whose publication or representativeness ceased at the end of 2021. For some of these contracts and financial instruments, the Group was also able to rely on the system established by the US authorities, which approved the designation of a permanent statutory replacement rate for USD LIBOR for contracts governed by US law.

The transition will continue in the second half of 2023 for a few contracts, with the goal of finalising the effective transition before the first interest period based on the substitution index. This particularly concerns certain contracts and financial instruments for which discussions with counterparties were not fully finalised at the end of June.

Following the consultation launched in November 2022, the UK Financial Conduct Authority (FCA) confirmed the implementation of a synthetic LIBOR for one, three and six month tenors. Although the Crédit Agricole Group has made every effort to make very limited use of the synthetic USD LIBOR, the Crédit Agricole CIB Group supported the addition of an option for a synthetic LIBOR that could be activated after 30 September 2024 if necessary.

The Group is highly vigilant regarding the use of the Term SOFR by the market and has defined strict rules to ensure compliance with the recommendations issued by the ARRC in order to limit its use of derivatives.

Other index transitions (MIFOR, SOR, THBFIX, MosPrime, CDOR, WIBOR)

The Crédit Agricole CIB Group is affected by transitions involving indices other than the USD LIBOR.

The stakes are fairly insignificant at the Crédit Agricole CIB Group level, including the MIFOR, SOR, MosPrime and THBFIX indices, for which existing contracts are mainly composed of cleared derivatives. The contract transition was finalised by 30 June 2023, the date of their final publication.

For upcoming transitions, preliminary actions have already been initiated by the relevant entities to establish an initial inventory of clients and transactions exposed to the WIBOR and CDOR.

Management of risks associated with interest rate reform

In addition to preparing and implementing the replacement of benchmarks, the work carried out by the Group since 2019 also focused on the management and control of risks inherent in the benchmark transitions, particularly with regard to financial, operational, legal and compliance aspects and in particular as regards client protection (prevention of conduct risk).

Through June 2023, risks associated with the reform of interbank rates were focused on USD LIBOR transition, with the market adopting more of a wait-and-see attitude than it did for the GBP, JPY and CHF LIBOR transition.

Starting in the second half of 2023, the risks associated with the interest rate reform mainly concern the transition of the WIBOR and CDOR indices, for which the stakes are highly localised and deemed not significant for the Crédit Agricole CIB Group. Nevertheless, in order to minimise the operational and commercial risks inherent in the transitions, the impacted entities will organise, where possible, proactive transitions in accordance with the recommendations and milestones defined by the authorities.

So that the hedging relationships affected by this interest rate benchmark reform can be maintained despite the uncertainties about the timetable and the arrangements for the transition between the current and future benchmarks, the IASB has published amendments to IAS 39, IFRS 9 and IFRS 7 in September 2019 that were adopted by the European Union on 15 January 2020. The Group applies these amendments as long as uncertainties about the future of the benchmarks have an impact on the amounts and payment dates of interest flows and, as such, considers that all of its hedging contracts on the concerned indices are eligible for the relief afforded by the amendments.

Other amendments, published by the IASB in August 2020, complement those published in 2019 and focus on the accounting consequences of replacing old benchmark interest rates with other benchmark rates following reforms. These "Phase 2" modifications mainly concern changes in contractual cash flows. They allow entities not to derecognise or adjust the carrying value of financial instruments in order to take account of the changes required by the reform, but rather to update the effective interest rate to reflect the change in the alternative reference rate.

For hedge accounting, entities will not have to declassify their hedging relationships when making the changes required by the reform and subject to economic equivalence.

At 30 June 2023, the breakdown by USD Libor benchmark index and instruments based on the old benchmark rates, and which must transition to the new rates before their maturity, was as follows:

In millions of euros	LIBOR USD	Other index
Total non-derivative assets	7,798	656
Total non-derivative liabilities	138	1
Total notional amount of derivatives	5,382	54,721

Deferred outstandings are those whose maturity date is later than the date of disappearance or non-representativeness of the benchmark. For USD LIBOR, for example, 30 June 2023 corresponds to the date of disappearance or non-representativeness of the overnight, 1-month, 3-month, 6-month and 12-month tenors.

For benchmarks whose termination or non-representativeness was set at 30 June 2023, the exposures carried forward correspond to the residual stock of transactions/contracts not effectively transitioned at that date, having not activated the fallback clause at the beginning of July 2023 and not falling within the scope of the legislative measures implemented by the competent authorities.

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

NOTE 10: INFORMATION ABOUT RELATED PARTIES

The Crédit Agricole CIB Group's related parties are the Crédit Agricole Group companies and the Crédit Agricole CIB Group companies that are fully consolidated or consolidated using the equity method and the Group's senior executives.

Relations with the Crédit Agricole Group

The on-and off-balance sheet amounts representing transactions between the Crédit Agricole CIB Group and the rest of the Crédit Agricole Group are summarised in the following table:

Outstandings (€ million)	30.06.2023
Assets	
Financial assets at amortised cost	52,720
Financial assets at fair value through profit or loss	57,790
Financial assets at fair value through other comprehensive income	91
Accruals, prepayments and sundry assets	27,126
Property, plant and equipment	257
Current and deferred tax assets	138
Liabilities	
Financial liabilities at amortised cost	57,438
Financial liabilities at fair value through profit or loss	46,515
Accruals, prepayments and sundry liabilities	23,539
Subordinated debt	4,270
Preferred shares	-
Provisions	-
Reserves (AT1 issuances)	9,654
Current and deferred tax liabilities	91
Financing and guarantee commitments	
Commitments given	1,161
Financing commitments	403
Guarantee commitments	758
Commitments received	5,295
Financing commitments	634
Guarantee commitments	4,661

Financial assets and liabilities at amortised cost represent the cash flow between Crédit Agricole CIB and the Crédit Agricole Group.

Assets and liabilities at fair value through profit or loss primarily concern held-for-trading derivative outstandings, which mainly represent Crédit Agricole Group interest rate hedging transactions arranged in the market by Crédit Agricole CIB.

Accruals and deferred income mainly include margin calls (or variable margins) and guarantee deposits given or received in the form of cash for derivatives transactions.

Crédit Agricole CIB, owned by the Crédit Agricole Group since 27 December 1996 and some of its subsidiaries are part of Crédit Agricole S.A.'s tax consolidation group.

Accordingly, Crédit Agricole S.A. compensates the Crédit Agricole CIB sub-group for any potential tax losses, which are charged against the Crédit Agricole Group's taxable income.

Relations between the Crédit Agricole CIB Group's consolidated companies

Transactions realised between two fully consolidated entities are fully eliminated.

Outstandings at year-end between fully consolidated companies and equity-consolidated companies are not eliminated in the Group's consolidated financial statements.

At 30 June 2023, the non-netted outstandings on and off the balance sheet reported by Crédit Agricole CIB with its affiliate UBAF are:

Outstandings (€ million)	30.06.2023
Assets	
Financial assets at amortised cost	6
Financial assets at fair value through profit or loss	28
Financial assets at fair value through other comprehensive income	1
Accruals, prepayments and sundry assets	1
Liabilities	
Financial liabilities at amortised cost	6
Financial liabilities at fair value through profit or loss	2
Accruals, prepayments and sundry liabilities	21
Provisions	-
Financing and guarantee commitments	
Commitments given	39
Financing commitments	-
Guarantee commitments	39
Commitments received	-
Financing commitments	-
Guarantee commitments	-

NOTE 11: EVENTS SUBSEQUENT TO 30 JUNE 2023

No significant events have occurred since the end of the reporting period.

4. STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION FROM JANUARY 1 TO JUNE 30, 2023

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.

Statutory auditors - Members of the *compagnie régionale de Versailles et du Centre*.

PricewaterhouseCoopers Audit

63, rue de Villiers - 92208 Neuilly-sur-Seine cedex - S.A.S. au capital de € 2 510 460 - 672 006 483 R.C.S. Nanterre

ERNST & YOUNG et Autres

Tour First - TSA 14444 - 92037 Paris-La Défense cedex - S.A.S. à capital variable - 438 476 913 R.C.S. Nanterre

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Crédit Agricole Corporate and Investment Bank, for the period from January 1 to June 30, 2023,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

4.1 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim 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 interim financial information.

4.2 2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 3, 2023

The Statutory Auditors French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres
Agnès Hussherr	**Laurent Tavernier**	**Matthieu Préchoux**

3
CONTENTS

COMPLEMENTARY INFORMATION

1. RATINGS FROM RATING AGENCIES

As of 11 August 2023, Crédit Agricole Corporate and Investment Bank's (Crédit Agricole CIB) credit ratings from rating agencies were as follows:

Ratings	Standard & Poor's	Moody's	FitchRatings
Long-term/short-term counterparty	AA-/A-1+ (RCR)	Aa2/P-1(CRR)	AA- (DCR)
LT preferred senior debt	A+	Aa3	AA-
Outlook	Stable	Stable	Stable
Latest review date	19.10.2022	15.12.2021	19.10.2022
Rating Decision	Statement of LT/CT ratings; outlook unchanged	Statement of LT/CT ratings; outlook unchanged	Statement of LT/CT ratings; outlook unchanged
ST preferred senior debt	A-1	P-1	F1+

2. OTHER INFORMATION ON RECENT DEVELOPMENTS IN THE COMPANY

2.1. COMPOSITION OF THE BOARD OF DIRECTORS AT 30 JUNE 2023

Chairman

Mr. Philippe BRASSAC

Directors

- Mrs Laure BELLUZZO
- Mrs Sonia BONNET-BERNARD*
- Mr. Paul CARITE
- Mr. Guy GUILAUMÉ
- Mr. Luc JEANNEAU
- Mr. Jean-Guy LARRIVIERE**
- Mr. Abdel-Liacem LOUAHCHI**
- Mrs Meritxell MAESTRE CORTADELLA*
- Mrs Anne-Laure NOAT*
- Mrs Carol SIROU*(***) [replacing Mrs Françoise Gri from 3 May 2023]
- Mr. Odet TRIQUET
- Mr. Emmanuel VEY
- Mr. Claude VIVENOT
- Mrs Valérie WANQUET

Non-voting advisory member of the board

- Mr. Émile LAFORTUNE
- Mr. Christian ROUCHON

* *Independent directors*
** *Directors representing employees elected in November 2020*
*** *Directors appointed by shareholders at the General Meeting of 3 May 2023*

Brief biography and positions held at 30 June 2023 by Mrs Carol Sirou (Director as from 3 May 2023) and Mrs Valérie Wanquet (Director co-opted as from 7 February 2023)

Carol SIROU

Office held at Crédit Agricole CIB: Director
Member of the Risk Committee
Business address: 12, place des Etats-Unis - 92120 Montrouge Cedex – France

› **BORN IN 1968**

NATIONALITY

French

› BRIEF BIOGRAPHY

Carol Sirou is Chairwoman of EthiFinance and an Independent Director, drawing on 30 years' experience in senior management positions in Europe and the United States.

She spent much of her career in financial services at Standard & Poor's Ratings: she managed the credit rating agency's activities in Paris from 2008 to 2014, then joined S&P's New York head office to set up a regulatory programme, before heading up global compliance for the group at S&P Global Inc. in 2016. From 2018 to 2022, she founded a risk management and ESG advisory firm.

Passionate about sustainable finance issues, in June 2022 she was appointed CEO of EthiFinance, an independent European ESG rating and advisory firm, with the aim of accelerating the implementation of the strategic plan and the development of a double materiality agency in Europe.

She is also an independent director. In June 2022, she joined the Board of Directors of Crédit Agricole S.A., initially as a non-voting director and as an independent director in May 2023. In addition, she chairs the Risk Committee, the Risk Committee in the US, and is a member of the Audit Committee. She contributes her knowledge of finance and compliance governance as well as an international perspective, particularly in the US, gained over the seven years she spent in New York between 2014 and 2022.

She is a member of the MEDEF Governance Committee since 2021 and the IFA's ESG group since 2022.

A graduate of Sciences Po Paris, she holds a Master's degree in Corporate Finance from Université Paris Dauphine and completed a management programme at the University of Virginia Darden Business School.

› MAIN AREAS OF EXPERTISE

- Financial markets
- Governance
- International

DATE OF FIRST APPOINTMENT

2023

END OF TERM OF OFFICE

2026

SENIORITY ON THE BOARD OF DIRECTORS

< 1 year

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 30 JUNE 2023

In Crédit Agricole Group companies

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

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

—

In other entities outside the Crédit Agricole Group

- Chairwoman: Ethifinance and its subsidiaries (EthiFinance Ratings SL, Imug Rating Gmbh)
- Founding Partner: Safineia Advisors New York
- Member: Medef Governance Committee; IFA's ESG Group

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

In Crédit Agricole Group companies

—

In entities outside the Crédit Agricole Group

- Independent Director: Europcar Mobility Group (2022), Agence France Locale (2022); Qivalio Lyon (2022); Exane (2021)

Valérie WANQUET

Office held at Crédit Agricole CIB: Director

Business address: 1, rue Victor Basch - 91068 Massy Cedex – France

› BORN IN 1966

NATIONALITY

French

› BRIEF BIOGRAPHY

Valérie Wanquet began her career in auditing at PricewaterhouseCoopers in 1988. She joined Crédit Lyonnais in 1991 as Head of Capital Markets Accounting. In 1999, she joined the Singapore branch as Financial Controller, followed by Hong Kong in 2001, and became Chief Financial Officer for Asia in 2003.

In 2007, she was appointed COO of CACIB China. From 2011 to 2013, she served as regional CFO before becoming COO for CACIB Hong Kong and Asia Pacific.

Valérie Wanquet joined CACF in 2016 as Group Chief Financial Officer. In July 2019, she also headed the Corporate Secretary' Office, Group Legal and Credit. Since January 2021, she has served as second managing director of CACF and Deputy General Manager of the Group International, Finance and Legal scope, in addition to Insurance as from January 2022.

Valérie Wanquet is a graduate of ESSEC and a chartered accountant.

› MAIN AREAS OF EXPERTISE

Financial Information

Governance

International

DATE OF FIRST APPOINTMENT

2023

END OF TERM OF OFFICE

2024

SENIORITY ON THE BOARD OF DIRECTORS

< 1 year

Does not own any shares in Crédit Agricole CIB

› OFFICES HELD AT 30 JUNE 2023

In Crédit Agricole Group companies

- Deputy General Manager: CA Consumer Finance CACF
- Chairwoman of the Board of Directors: CA Consumer Finance Spain; Credibom; Creditplus
- Director: Agos; FCA Bank; CACI
- Member of the Management Committee: Crédit Agricole S.A.

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

—

In other entities outside the Crédit Agricole Group

—

› OFFICES HELD IN THE LAST FIVE YEARS (THE END YEAR OF THE TERM OF OFFICE IS STATED IN BRACKETS)

In Crédit Agricole Group companies

- Director: CA Consumer Finance NL (2022)

In entities outside the Crédit Agricole Group

—

2.2. COMPOSITION OF THE EXECUTIVE MANAGEMENT AT 30 JUNE 2023

At 30 June 2023, Executive Management was composed as follows:

- Mr. Xavier MUSCA – Chief Executive Officer
- Mr. Jean-François BALAŸ – Deputy Chief Executive Officer
- Mr. Olivier BÉLORGEY – Deputy Chief Executive Officer
- Mr. Pierre GAY – Deputy Chief Executive Officer

2.3. COMPOSITION OF THE RISKS COMMITTEE AT 30 JUNE 2023

- Mrs Anne-Laure Noat, Chairwoman and Independent Director
- Mr. Paul Carite
- Mrs Meritxell Maestre Cortadella, Independent Director
- Mrs Carol Sirou, Independent Director (replacing Mrs Françoise Gri)
- Mr. Odet Triquet

2.4. COMPOSITION OF THE AUDIT COMMITTEE AT 30 JUNE 2023

- Mrs Sonia Bonnet-Bernard, Chairwoman and Independent Director
- Mr. Guy Guilaumé
- Mrs Meritxell Maestre Cortadella, Independent Director
- Mrs Anne-Laure Noat, Independent Director
- Mr. Emmanuel Vey

2.5. COMPOSITION OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE AT 30 JUNE 2023

- Mrs Meritxell Maestre Cortadella, Chairwoman and Independent Director
- Mr. Luc Jeanneau

2.6. COMPOSITION OF THE COMPENSATION COMMITTEE AT 30 JUNE 2023

- Mrs Anne-Laure Noat, Chairwoman and Independent Director
- Mr. Luc Jeanneau
- Mr. Jean-Guy Larrivière, Director representing employees

2.7. COMPOSITION OF THE EXECUTIVE COMMITTEE AND THE MANAGEMENT COMMITTEE AT 30 JUNE 2023

The composition of the Crédit Agricole Corporate and Investment Bank's Executive Committee at 30 June 2023 was as follows:

▪ Xavier MUSCA	Chief Executive Officer
▪ Jean-François BALAŸ	Deputy Chief Executive Officer
▪ Olivier BÉLORGEY	Deputy Chief Executive Officer
▪ Pierre GAY	Deputy Chief Executive Officer
▪ Pierre DULON	Deputy General Manager – Global IT & OPC - Operations, Premises & Countries COOs
▪ Didier GAFFINEL	Deputy General Manager - Global Coverage and Investment Banking
▪ Natacha GALLOU	Deputy General Manager - Risk & Permanent Control
▪ Anne-Catherine ROPERS	Deputy General Manager - Human Resources
▪ Stéphane DUCROIZET	SRO Americas
▪ Jean-François DEROCHE	SRO Asia-Pacific
▪ Georg ORSSICH	SRO Europe (excluding France)

AS AT 30 JUNE 2023, THE MANAGEMENT COMMITTEE CONSISTED OF THE EXECUTIVE COMMITTEE AND:

Management Committee:

▪ Hatem MASMOUDI	SRO Middle-East – Africa
▪ Frank SCHÖNHERR	SCO Germany
▪ Jamie MABILAT	SCO Italy
▪ Hubert REYNIER	SCO UK
▪ Ivana BONNET	Senior Advisor Europe
▪ Laurent CHENAIN	Corporate & Leveraged Finance
▪ Julian HARRIS	Debt restructuring & Advisory Services
▪ Fabrice SCHWARTZ	Distribution & Asset Rotation
▪ Danielle BARON	Energy & Real Assets
▪ Lisa LEDE	Finance & Procurement
▪ Anne GIRARD	Global Compliance
▪ Séverine MOULLET	Global Coverage and Investment Banking - Coverage France
▪ Nicolas CHAPIN	Global Coverage and Investment Banking - Global Coverage Organisation
▪ Laurent CAPES	Global Coverage and Investment Banking - Global Investment Banking
▪ Octavio LIEVANO	Global Coverage and Investment Banking - Multinational Corporates
▪ Tanguy CLAQUIN	Global Coverage and Investment Banking - Sustainable Banking
▪ Arnaud D'INTIGNANO	Capital Markets Funding
▪ François RAMEAU	Audit
▪ Yves-Marie GAYET*	International Trade & Transaction Banking
▪ Pierre-Yves BOLLARD	IT & Operations services - Global IT
▪ Eric LECHAUDEL	IT & Operations services - Operations, Premises & Country COOs
▪ Bruno FONTAINE	Legal
▪ Didier REBOUL	Crédit Agricole Group's ISE Division

*appointed as of 18 septembre 2023.

3. BALANCED GENDER REPRESENTATION ON THE BOARD OF DIRECTORS

3.1. (ARTICLE 435 [2-C] OF REGULATION (EU) NO. 575/2013 AND ARTICLE L.511-99 OF THE FRENCH MONETARY AND FINANCIAL CODE)

In accordance with Article L.511-99 of the French Monetary and Financial Code, the Appointments and Governance Committee, formed by the Board of Directors of Crédit Agricole Corporate and Investment Bank, examined the objective to be achieved regarding the balanced gender representation on the Board of Directors, as well as the policy to be implemented to achieve this.

Pursuant to Article L. 225-17 of the French Commercial Code, there must be a balanced gender representation on the Board of Directors. In accordance with Article L. 225-18-1 of the French Commercial Code, this balanced representation on the Board of Directors of Crédit Agricole CIB must result in a ratio of at least 40% for each gender.

The proportion of women among the directors appointed by the Crédit Agricole Corporate and Investment Bank's General Meeting of Shareholders is currently 46%. The Bank aims to maintain this ratio at a minimum of 40% for each gender. The policy defined for this purpose involves actively seeking high-quality candidates of both genders to continue to comply with this ratio in the event of changes in the composition of the Board of Directors, while ensuring complementarity with regard to the professional backgrounds, experience and skills of directors in order to meet the expectations of Crédit Agricole Corporate and Investment Bank and applicable texts in terms of the individual and collective skills of Board members.

4

CONTENTS

GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

Person responsible for the Universal Registration Document

Xavier MUSCA Chief Executive Officer of Crédit Agricole CIB.

Responsibility statement

I hereby certify that, to my knowledge, the information contained in the present Amendment to Universal Registration document is true and accurate and contains no omission likely to affect the import thereof.

I hereby certify that, to my knowledge, the condensed consolidated financial statements for the semester ended 30 June 2022 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all entities included in the consolidated group, and the half-year report made of sections indicated in the cross-reference table at the end of this document, provides a true and fair view of the important events of the first six months of the current financial year, of the effect of such events on the Company's accounts, of the principal related party transactions, as well as a description of the main risks and principal uncertainties for the remaining six months of this year.

Montrouge, 11th August 2023

The Chief Executive Officer of Crédit Agricole CIB
Xavier MUSCA

2. STATUTORY AUDITORS

2.1 Primary and alternate statutory auditors at 30 June 2023

Primary statutory auditors	
Ernst & Young and Others Member of the Ernst & Young network	PricewaterhouseCoopers Audit Member of the PricewaterhouseCoopers network
Member of the Versailles regional association of Statutory auditors Company represented by: Matthieu Préchoux	Member of the Versailles regional association of Statutory auditors Company represented by: Agnès Hussherr and Laurent Tavernier
Head Office: 1-2, place des Saisons 92400 Courbevoie - PARIS-La Défense - France	Head Office: 63, rue de Villiers 92200 NEUILLY-SUR-SEINE

Length of primary statutory auditors' mandates	
The mandate of Ernst and Young and Others as the primary Statutory Auditor has been renewed for six financial periods by the Shareholders at the General Meeting held on May 4, 2018.	The mandate of PricewaterhouseCoopers Audit as the primary Statutory Auditor has been renewed for six financial periods by the Shareholders at the General Meeting held on May 4, 2018.
Length of alternate auditors' mandates	
The mandate of Picarle and Associates as Alternate Statutory Auditor of Ernst and Young and Others was not renewed by the Shareholders at the General meeting held on May 4, 2018, in accordance with the provisions of Section L. 823-1 of the Code of Commerce and Article 18 of the Company's Statutes.	The mandate of Mr. Etienne Boris as Alternate Statutory Auditor of PricewaterhouseCoopers Audit was not renewed by the Shareholders at the General meeting held on May 4, 2018, in accordance with the provisions of Section L. 823-1 of the Code of Commerce and Article 18 of the Company's Statutes.

3. CROSS-REFERENCE TABLES

CROSS-REFERENCE TABLE OF THE ANNUAL REGISTRATION DOCUMENT

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of Delegated Regulation (EU) 2019/980 of the Commission of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004 (Annex I), in application of the “Prospectus Directive”. It refers to the pages of the Universal registration document 2022 (URD 2022) in the second column as well as the present Amendment in the first column.

	Annex 1 of the delegated regulation	Page number of the Amendment to the Universal registration document 2022	Page number of universal registration document filed with the AMF on 29 March 2023
1.	**Persons responsible**		
	1.1 Identity of the persons responsible	87	435
	1.2 Declaration of the persons responsible	87	435
	1.3 Statement or report of the persons acting as experts		Null
	1.4 Information from a third party		Null
	1.5 Declaration concerning the competent authority		Null
2.	**Statutory auditors** [(1)]		
	2.1 Identity of the statutory auditors	88	436
	2.2 Change, if any	88	436
3.	**Risk factors**	14 to 18	150 to 160
4.	**Information about the issuer**	30	250; 424
	4.1 Legal name and commercial name	30	250; 424
	4.2 Location, registration number and legal entity identifier (“LEI”)	30	250
	4.3 Date of incorporation and lifespan		424
	4.4 Registered office and legal form, legislation governing the business activities, country of origin, address and telephone number of the legal registered office, website with a warning notice	30	250; 424
5.	**Business overview**		
	5.1 Principal activities		
	5.1.1 Description of the issuer’s principal activities [(1)]		19 to 22
	5.1.2 New products or services, if significant		425
	5.2 Principal markets [(1)]		16; 20 to 22
	5.3 Major events in the development of the business		18; 20 to 22
	5.4 Strategy and targets	13	6 to 7; 18; 139 to 140
	5.5 Dependence on patents, licenses, contracts and manufacturing processes	26	202; 334; 399
	5.6 Statement on competitive position	7 to 10	18; 135 to 136
	5.7 Investments		
	5.7.1 Major investments made [(1)]		424
	5.7.2 Main current or future investments		424
	5.7.3 Information on joint ventures and partner companies		328 to 329
	5.7.4 Environmental issues that may impact the use of property, plant and equipment		62
6.	**Organisational structure**		
	6.1 Brief description of the Group		4 to 5; 8 to 9
	6.2 List of important subsidiaries		251; 356 to 358; 390
7.	**Review of the financial position and performance** [(1)]		
	7.1 Financial position		
	7.1.1 Changes in results and financial position containing key indicators of financial and, if applicable, extra-financial performance	7 to 8; 31; 33	133 to 134; 137 to 140; 255; 257 to 258
	7.1.2 Forecasts of future development and research and development activities	12 to 13	138 to 140
	7.2 Operating income	7 to 10; 31	133 to 136; 144; 255; 375
	7.2.1 Major factors, unusual or infrequent events or new developments	5 to 6	131 to 132
	7.2.2 Reasons for major changes in revenues or net income		Null

	Annex 1 of the delegated regulation	Page number of the Amendment to the Universal registration document 2022	Page number of universal registration document filed with the AMF on 29 March 2023
8	**Capital resources**		
	8.1 Information on share capital	30; 33 to 35; 62 to 63	137; 145; 205 to 219; 257 to 261; 334
	8.2 Cash flow	36	261
	8.3 Financing needs and structure	23 to 24	197; 303 to 304
	8.4 Restrictions on the use of capital	62	205 to 219; 329; 359 to 361
	8.5 Expected sources of financing		424
9.	**Regulatory environment**		
	9.1 Description of the regulatory environment that could impact the Company's business activities	18; 37	157 to 158; 205 to 206; 263 to 264
10.	**Trend information**		
	10.1 Description of the main trends and any material change in the Group's financial performance since the end of the financial year	12 to 13	138 to 139; 425
	10.2 Events that could materially impact the outlook	12 to 13; 28; 77	10 to 11; 138 to 139; 362; 425
11.	**Profit projections or estimates**		
	11.1 Profit projections or estimates reported		Null
	11.2 Statement describing the main assumptions for projections		Null
	11.3 Declaration of comparability with the historical financial information and compliance of the accounting methods		Null
12.	**Administrative, management, supervisory and executive management bodies**		
	12.1 Information on the members	80 to 85	69 to 126
	12.2 Conflicts of interest		81; 115 to 116
13.	**Compensation and benefits**		
	13.1 Remuneration paid and benefits in kind	52	117 to 123; 246; 338 to 340; 406
	13.2 Provisions for pensions, retirements and other similar benefits	61	117 to 123; 246; 273 to 274; 338 to 340; 384 to 385; 406
14.	**Board practices**		
	14.1 Expiry date of terms of office	80 to 84	70; 72; 73; 94 to 114; 420
	14.2 Service agreements binding members of the administrative and management bodies		116
	14.3 Information on Audit and Compensation committees	83	86 to 87 (audit) 92 to 93 (compensation)
	14.4 Declaration of compliance with the corporate governance system in force		70
	14.5 Potential future changes in corporate governance		Null
15.	**Employees**		
	15.1 Number of employees [1]		16; 45 to 46; 338; 406
	15.2 Profit-sharing and stock options		274; 340
	15.3 Agreement stipulating employee shareholding		125
16.	**Major shareholders**		
	16.1 Shareholders holding more than 5% of share capital	62	334
	16.2 Existence of different voting rights	62	125; 334
	16.3 Direct or indirect control		125
	16.4 Agreements that if implemented could result in a change of control		125
17.	**Transactions with related parties** [1]	11; 76	254; 328 to 329; 401
18.	**Financial information concerning the Company's assets and liabilities, financial position and profits and losses** [1]		
	18.1 Historical financial information		
	18.1.1 Audited historical financial information for the past three financial years and audit report	31 to 77	15; 247 to 414
	18.1.2 Change of accounting reference date		Null
	18.1.3 Accounting standards	37 to 38	263 to 279; 377 to 385
	18.1.4 Change of accounting standards		Null

	Annex 1 of the delegated regulation	Page number of the Amendment to the Universal registration document 2022	Page number of universal registration document filed with the AMF on 29 March 2023
	18.1.5 Balance sheet, income statement, changes in equity, cash flow, accounting methods and explanatory notes	5 to 13; 31 to 77	15; 131 to 146; 255 to 362; 374 to 408
	18.1.6 Consolidated financial statements	31 to 77	247 to 370
	18.1.7 Age of financial information	5 to 13; 33 to 77	15; 255 to 261 ; 374 to 375
	18.2 Interim and other financial information (audit or review reports, as applicable)		Null
	18.3 Audit of historical annual financial information	78	363 to 369; 409 to 414
	18.3.1 Independent audit of historical annual financial information	78	363 to 369; 409 to 414
	18.3.2 Other audited information		Null
	18.3.3 Unaudited financial information		Null
	18.4 Pro forma financial information	9	Null
	18.5 Dividend policy		
	18.5.1 Description of the dividend distribution policy and any applicable restriction	62	335
	18.5.2 Amount of the dividend per share	62	255; 335
	18.6 Administrative, legal and arbitration proceedings	24 to 26	199 to 202; 331 to 334; 396 to 399
	18.7 Significant change in financial position		425
19.	**Additional information**		
	19.1 Information on share capital (1)		
	19.1.1 Amount of capital subscribed, number of shares issued and fully paid up and par value per share, number of shares authorised	62	125; 334
	19.1.2 Information on non-equity shares		Null
	19.1.3 Number, carrying value and nominal value of the shares held by the Company		Null
	19.1.4 Convertible or exchangeable securities or securities with subscription warrants attached		Null
	19.1.5 Conditions governing any acquisition rights and/or any obligation attached to the capital subscribed, but not paid up, or on any undertaking to increase the capital		Null
	19.1.6 Option or conditional or unconditional agreement of any member of the Group		Null
	19.1.7 History of share capital		145
	19.2 Memorandum and Articles of Association		
	19.2.1 Register and company purpose	30	250; 424
	19.2.2 Rights, privileges and restrictions attached to each class of shares		125; 418 to 419
	19.2.3 Provisions with the effect of delaying, deferring or preventing a change in control		125
20.	**Material contracts**		425
21.	**Documents available**		425

(1) In accordance with Annex I of European Regulation 2017/1129, the following are incorporated by reference:
- *the consolidated and annual financial statements for the year ended 31 December 2021 and the corresponding Statutory Auditors' Reports, as well as the Crédit Agricole CIB's management report, appearing respectively on pages 255 to 370 and 382 to 415, on pages 371 to 377 and 416 to 421 and on pages 135 to 147 of the Crédit Agricole CIB Universal Registration Document 2020 registered by the AMF on 24 march 2021 under number D.21-0183. The information is available via the following link: Universal Registration Document 2021.*
- *the consolidated and annual financial statements for the year ended 31 December 2020 and the corresponding Statutory Auditors' Reports, as well as the Crédit Agricole CIB's management report, appearing respectively on pages 280 to 396 and 408 to 440, on pages 397 to 403 and 441 to 446 and on pages 130 to 140 of the Crédit Agricole CIB Universal Registration Document 2020 registered by the AMF on 24 march 2021 under number D.21-0183. The information is available via the following link: Universal Registration Document 2020.*

The sections of the Universal Registration Document 2021 and the Universal Registration Document 2020 not referred to above are either not applicable to investors or are covered in another part of this universal registration document.

All these documents incorporated by reference in the present document have been filed with the French Financial Markets Authority (*Autorité des marchés financiers*) and can be obtained on request free of charge during the usual office opening hours at the headquarters of the issuer as indicated at the end of the present document. These documents are available on the website of the Issuer (Activity reports & Universal Registration Documents | Crédit Agricole CIB (ca-cib.com)) and on the website of the AMF (www.amf-france.org).

The information incorporated by reference has to be read according to the following cross-reference table. Any information not indicated in the cross-reference table but included in the documents incorporated by reference is only given for information.